

# Financial Analysts Briefing Supplement Fourth Quarter 2012

This document is a fourth quarter statistical supplement to the Financial Analysts' Briefing book. As you review the supplement, please note the following:

Aflac believes that an analysis of operating earnings, a non-GAAP financial measure, is vitally important to an understanding of the company's underlying profitability drivers. Aflac defines operating earnings as the profits derived from operations before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as nonrecurring items. Aflac's derivative activities include: foreign currency, interest rate and credit default swaps in variable interest entities that are consolidated; foreign currency swaps associated with the company's senior and subordinated notes; and foreign currency forwards used in hedging foreign exchange risk on U.S. dollar-denominated securities. Management uses operating earnings to evaluate the financial performance of Aflac's insurance operations because realized gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as nonrecurring items, tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with the company's insurance operations, and therefore may obscure the underlying fundamentals and trends in Aflac's insurance operations. A reconciliation of operating earnings to net earnings is included on page 5.

On October 1, 2009, Aflac Incorporated acquired Continental American Insurance Company (now referred to as Aflac Group Insurance). Beginning in the fourth quarter of 2009, Aflac U.S. sales and financial results reflect the inclusion of this acquisition.

On January 1, 2010, the company adopted amended accounting guidance, which resulted in the consolidation of certain company investments in Variable Interest Entities (VIEs). As a result, the foreign currency, interest rate, and credit default swaps on certain VIEs are now marked to market with the impact being included as part of realized investment gains and losses and therefore, excluded from operating earnings.

On January 1, 2012, the company retrospectively adopted revised accounting guidance for Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts, which resulted in an immaterial decrease to deferred policy acquisition costs and earnings in prior periods.

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**Stock Price Range and Other Data**

Year	Total Actual Shares Traded (000 omitted)	Price Range			Year Close % Change	AFL Relative Perform. to S&P 500 Composite Avg. (1994 Close = 100)	Annual Relative % Change	AFL Relative Perform. to S&P Life Composite Avg. (1994 Close = 100)	Annual Relative % Change
		High	Low	Close					
1974	—	\$ .13	\$ .06	\$ .06	—	—	—	—	
1975 *	3,084	.21	.06	.18	218.2 %	—	—	—	
1976	2,883	.28	.17	.28	57.1	—	—	—	
1977	2,624	.32	.25	.29	5.5	—	—	—	
1978	5,154	.40	.22	.23	(20.7)	—	—	—	
1979	3,290	.36	.21	.28	21.7	—	—	—	
1980	3,494	.29	.18	.19	(32.1)	—	—	—	
1981	2,484	.26	.18	.20	2.6	—	—	—	
1982	4,243	.42	.19	.39	97.4	—	—	—	
1983	4,502	.61	.38	.61	58.4	—	—	—	
1984	5,201	.84	.46	.78	27.9	—	—	—	
1985	13,408	1.56	.77	1.39	77.6	—	—	—	
1986	19,387	2.50	1.39	1.74	25.3	—	—	—	
1987	49,914	2.47	1.32	1.89	8.6	—	—	—	
1988	27,245	2.27	1.54	1.84	(2.7)	—	—	—	
1989	70,347	3.00	1.79	2.40	30.8	—	—	—	
1990	38,959	2.57	1.62	2.55	6.3	—	—	—	
1991	39,803	4.15	2.39	3.99	56.3	—	—	—	
1992	35,563	4.65	3.20	4.60	15.4	—	—	—	
1993	40,913	5.67	4.13	4.75	3.3	—	—	—	
1994	46,430	6.02	4.21	5.34	12.3	100.0	100.0	—	
1995	52,772	7.46	5.32	7.25	35.9	101.4	96.5	(3.5) %	
1996	62,101	11.00	7.07	10.69	47.4	124.3	120.2	24.5	
1997	61,771	14.47	9.38	12.78	19.6	113.4	116.3	(3.2)	
1998	100,659	22.66	11.35	21.94	71.7	153.7	192.3	65.4	
1999	180,514	28.38	19.50	23.60	7.5	138.3	244.9	27.3	
2000	218,965	37.47	16.78	36.10	53.0	235.5	335.8	37.1	
2001	418,406	36.10	23.00	24.56	(32.0)	184.2	251.3	(25.2)	
2002	485,387	33.45	23.10	30.12	22.6	294.8	373.5	48.6	
2003	479,602	36.91	28.00	36.18	20.1	280.2	358.0	(4.1)	
2004	397,333	42.60	33.85	39.84	10.1	283.1	327.5	(8.5)	
2005	405,829	49.65	35.50	46.42	16.5	320.2	315.7	(3.6)	
2006	437,580	49.40	41.63	46.00	(0.9)	279.3	272.1	(13.8)	
2007	558,870	63.91	45.18	62.63	36.2	367.3	338.4	24.4	
2008	984,507	68.81	29.68	45.84	(26.8)	437.1	490.8	45.0	
2009	1,796,345	47.75	10.83	46.25	.9	357.2	437.5	(10.9)	
2010	967,837	58.31	39.91	56.43	22.0	386.4	434.0	(.8)	
2011	1,076,441	59.54	31.25	43.26	(23.3)	296.2	429.4	(1.1)	
<b>2012</b>	<b>787,975</b>	<b>54.93</b>	<b>38.14</b>	<b>53.12</b>	<b>22.8</b>	<b>320.8</b>	<b>471.7</b>	<b>9.9</b>	

\*First full year traded on NYSE

**Price Performance of Aflac Incorporated and Market Indexes**  
(Relative Performance Based on 1994 Closing Prices)

	1994	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Aflac</b>	<b>5.33</b>	<b>21.94</b>	<b>23.60</b>	<b>36.10</b>	<b>24.56</b>	<b>30.12</b>	<b>36.18</b>	<b>39.84</b>	<b>46.42</b>	<b>46.00</b>	<b>62.63</b>	<b>45.84</b>	<b>46.25</b>	<b>56.43</b>	<b>43.26</b>	<b>53.12</b>
Rel. Perf.		4.1	4.4	6.8	4.6	5.6	6.8	7.5	8.7	8.6	11.7	8.6	8.7	10.6	8.1	10.0
<b>Dow Jones Ind.</b>	<b>3834.44</b>	<b>9181.43</b>	<b>11497.12</b>	<b>10786.85</b>	<b>10021.50</b>	<b>8341.63</b>	<b>10453.92</b>	<b>10783.01</b>	<b>10717.50</b>	<b>12463.15</b>	<b>13264.82</b>	<b>8776.39</b>	<b>10428.05</b>	<b>11577.51</b>	<b>12217.56</b>	<b>13104.14</b>
Rel. Perf.		2.4	3.0	2.8	2.6	2.2	2.7	2.8	2.8	3.3	3.5	2.3	2.7	3.0	3.2	3.4
<b>S&amp;P Life</b>	<b>100.00</b>	<b>213.90</b>	<b>180.70</b>	<b>201.57</b>	<b>183.25</b>	<b>151.23</b>	<b>189.51</b>	<b>228.11</b>	<b>275.73</b>	<b>317.00</b>	<b>347.08</b>	<b>175.15</b>	<b>198.22</b>	<b>243.79</b>	<b>188.90</b>	<b>211.15</b>
Rel. Perf.		2.1	1.8	2.0	1.8	1.5	1.9	2.3	2.8	3.2	3.5	1.8	2.0	2.4	1.9	2.1
<b>NYSE Comp.</b>	<b>2653.37</b>	<b>6299.93</b>	<b>6876.10</b>	<b>6945.57</b>	<b>6236.39</b>	<b>5000.00</b>	<b>6464.00</b>	<b>7250.06</b>	<b>7753.95</b>	<b>9139.02</b>	<b>9740.32</b>	<b>5757.05</b>	<b>7184.96</b>	<b>7964.02</b>	<b>7477.03</b>	<b>8443.51</b>
Rel. Perf.		2.4	2.6	2.6	2.4	1.9	2.4	2.7	2.9	3.4	3.7	2.2	2.7	3.0	2.8	3.2
<b>S&amp;P 500</b>	<b>459.27</b>	<b>1229.23</b>	<b>1469.25</b>	<b>1320.28</b>	<b>1148.08</b>	<b>879.82</b>	<b>1111.92</b>	<b>1211.92</b>	<b>1248.29</b>	<b>1418.30</b>	<b>1468.36</b>	<b>903.25</b>	<b>1115.10</b>	<b>1257.64</b>	<b>1257.60</b>	<b>1426.19</b>
Rel. Perf.		2.7	3.2	2.9	2.5	1.9	2.4	2.6	2.7	3.1	3.2	2.0	2.4	2.7	2.7	3.1
<b>Nikkei</b>	<b>19723.06</b>	<b>13842.17</b>	<b>18934.34</b>	<b>13785.69</b>	<b>10542.62</b>	<b>8578.95</b>	<b>10676.64</b>	<b>11488.76</b>	<b>16111.43</b>	<b>17225.83</b>	<b>15307.78</b>	<b>8859.56</b>	<b>10546.44</b>	<b>10228.92</b>	<b>8455.35</b>	<b>10395.18</b>
Rel. Perf.		.7	1.0	.7	.5	.4	.5	.6	.8	.9	.8	.4	.5	.5	.4	.5

**Relative Performance AFL/Other Averages**  
(1994 Close = 100)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AFL/DJIA	171.8	147.6	240.6	176.2	259.6	248.8	265.6	311.4	265.4	339.5	375.5	318.9	350.4	254.6	291.5
AFL/S&P Life	192.3	244.9	335.8	251.3	373.5	358.0	327.5	315.7	272.1	338.4	490.8	437.5	434.0	429.4	471.7
AFL/NYSE Comp.	173.3	170.8	258.6	195.9	299.7	278.5	273.4	297.9	250.4	319.9	396.2	320.3	352.5	287.9	313.0
AFL/S&P 500	153.7	138.3	235.5	184.2	294.8	280.2	283.1	320.2	279.3	367.3	437.1	357.2	386.4	296.2	320.8
AFL/Nikkei	586.2	461.0	968.5	861.6	1298.4	1253.2	1282.5	1065.5	987.6	1513.1	1913.5	1621.8	2040.2	1892.2	1889.9

**Annual Percent Change in Relative Performance**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AFL/DJIA	47.9	(14.1)	63.0	(26.8)	47.3	(4.2)	6.8	17.2	(14.8)	27.9	10.6	(15.1)	9.9	(27.4)	14.5
AFL/S&P Life	65.4	27.3	37.1	(25.2)	48.6	(4.1)	(8.5)	(3.6)	(13.8)	24.4	45.0	(10.8)	(.8)	(1.1)	9.9
AFL/NYSE Comp.	47.3	(1.4)	51.4	(24.2)	53.0	(7.1)	(1.8)	9.0	(15.9)	27.7	23.8	(19.2)	10.1	(18.3)	8.7
AFL/S&P 500	35.5	(10.0)	70.2	(21.8)	60.1	(5.0)	1.0	13.1	(12.8)	31.5	19.0	(18.3)	8.2	(23.3)	8.3
AFL/Nikkei	89.2	(21.4)	110.1	(11.0)	50.7	(3.5)	2.3	(16.9)	(7.3)	53.2	26.5	(15.2)	25.8	(7.3)	(.1)

**AFL Trading Volume**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
No. Shar. Trad.(Act.) (000 omitted)	100,659	180,514	218,965	418,406	485,387	479,602	397,333	405,829	437,580	558,870	984,507	1,796,345	967,837	1,076,441	787,975

## Aflac Incorporated

### Price Performance of Aflac Incorporated and Market Indexes

(Closing Prices and Relative Performance - 1994 Close = 100)

	<u>12/31/11</u>	<u>1/31/12</u>	<u>2/29/12</u>	<u>3/31/12</u>	<u>4/30/12</u>	<u>5/31/12</u>	<u>6/30/12</u>	<u>7/31/12</u>	<u>8/31/12</u>	<u>9/30/12</u>	<u>10/31/12</u>	<u>11/30/12</u>	<u>12/31/12</u>
<b>Aflac</b>	<b>43.26</b>	<b>48.23</b>	<b>47.25</b>	<b>45.99</b>	<b>45.04</b>	<b>40.08</b>	<b>42.59</b>	<b>43.78</b>	<b>46.18</b>	<b>47.88</b>	<b>49.78</b>	<b>52.99</b>	<b>53.12</b>
Rel. Perf.	8.1	9.0	8.9	8.6	8.4	7.5	8.0	8.2	8.7	9.0	9.3	9.9	10.0
<b>Dow Jones Ind.</b>	<b>12217.56</b>	<b>12632.91</b>	<b>12952.07</b>	<b>13212.04</b>	<b>13213.63</b>	<b>12393.45</b>	<b>12880.09</b>	<b>13008.68</b>	<b>13090.84</b>	<b>13437.13</b>	<b>13096.46</b>	<b>13025.58</b>	<b>13104.14</b>
Rel. Perf.	3.2	3.3	3.4	3.4	3.4	3.2	3.4	3.4	3.4	3.5	3.4	3.4	3.4
<b>S&amp;P Life</b>	<b>188.90</b>	<b>211.92</b>	<b>223.63</b>	<b>225.08</b>	<b>216.56</b>	<b>179.64</b>	<b>188.76</b>	<b>187.90</b>	<b>205.63</b>	<b>207.94</b>	<b>215.05</b>	<b>208.93</b>	<b>211.15</b>
Rel. Perf.	1.9	2.1	2.2	2.3	2.2	1.8	1.9	1.9	2.1	2.1	2.2	2.1	2.1
<b>NYSE Comp.</b>	<b>7477.03</b>	<b>7838.48</b>	<b>8113.25</b>	<b>8206.93</b>	<b>8119.07</b>	<b>7463.96</b>	<b>7801.84</b>	<b>7863.94</b>	<b>8014.93</b>	<b>8251.00</b>	<b>8221.40</b>	<b>8260.43</b>	<b>8443.51</b>
Rel. Perf.	2.8	3.0	3.1	3.1	3.1	2.8	2.9	3.0	3.0	3.1	3.1	3.1	3.2
<b>S&amp;P 500</b>	<b>1257.60</b>	<b>1312.41</b>	<b>1365.68</b>	<b>1408.47</b>	<b>1397.91</b>	<b>1310.33</b>	<b>1362.16</b>	<b>1379.32</b>	<b>1406.58</b>	<b>1440.67</b>	<b>1412.16</b>	<b>1416.18</b>	<b>1426.19</b>
Rel. Perf.	2.7	2.9	3.0	3.1	3.0	2.9	3.0	3.0	3.1	3.1	3.1	3.1	3.1
<b>Nikkei</b>	<b>8455.35</b>	<b>8802.51</b>	<b>9723.24</b>	<b>10083.56</b>	<b>9520.89</b>	<b>8542.73</b>	<b>9006.78</b>	<b>8695.06</b>	<b>8783.89</b>	<b>8870.16</b>	<b>8928.29</b>	<b>9446.01</b>	<b>10395.18</b>
Rel. Perf.	.4	.4	.5	.5	.5	.4	.5	.4	.4	.4	.5	.5	.5

### Relative Performance AFL/Other Averages

(1994 Close = 100)

	<u>12/31/11</u>	<u>1/31/12</u>	<u>2/29/12</u>	<u>3/31/12</u>	<u>4/30/12</u>	<u>5/31/12</u>	<u>6/30/12</u>	<u>7/31/12</u>	<u>8/31/12</u>	<u>9/30/12</u>	<u>10/31/12</u>	<u>11/30/12</u>	<u>12/31/12</u>
AFL/DJIA	254.6	274.5	262.3	250.3	245.1	232.5	237.7	242.0	253.6	256.2	273.3	292.5	291.5
AFL/S&P Life	429.4	426.8	396.2	383.1	390.0	418.4	423.1	436.9	421.1	431.8	434.1	475.6	471.7
AFL/NYSE Comp.	287.9	306.1	289.8	278.8	276.0	267.2	271.6	277.0	286.7	288.7	301.3	319.2	313.0
AFL/S&P 500	296.2	316.5	298.0	281.2	277.5	263.4	269.3	273.3	282.7	286.2	303.6	322.2	320.8
AFL/Nikkei	1892.2	2026.3	1797.2	1686.8	1749.5	1735.1	1748.8	1862.1	1944.3	1996.3	2062.0	2074.7	1889.9

### Monthly Percent Change in Relative Performance

	<u>12/31/11</u>	<u>1/31/12</u>	<u>2/29/12</u>	<u>3/31/12</u>	<u>4/30/12</u>	<u>5/31/12</u>	<u>6/30/12</u>	<u>7/31/12</u>	<u>8/31/12</u>	<u>9/30/12</u>	<u>10/31/12</u>	<u>11/30/12</u>	<u>12/31/12</u>
AFL/DJIA	(1.8)	7.8	(4.4)	(4.6)	(2.1)	(5.1)	2.2	1.8	4.8	1.0	6.7	7.0	(.4)
AFL/S&P Life	.7	(.6)	(7.2)	(3.3)	1.8	7.3	1.1	3.3	(3.6)	2.5	.5	9.6	(.8)
AFL/NYSE Comp.	(.3)	6.3	(5.3)	(3.8)	(1.0)	(3.2)	1.7	2.0	3.5	.7	4.3	5.9	(1.9)
AFL/S&P 500	(1.3)	6.8	(5.9)	(5.6)	(1.3)	(5.1)	2.2	1.5	3.4	1.2	6.1	6.1	(.5)
AFL/Nikkei	(.7)	7.1	(11.3)	(6.1)	3.7	(.8)	.8	6.5	4.4	2.7	3.3	.6	(8.9)

### AFL High, Low, Close & Trading Volume

	<u>12/31/11</u>	<u>1/31/12</u>	<u>2/29/12</u>	<u>3/31/12</u>	<u>4/30/12</u>	<u>5/31/12</u>	<u>6/30/12</u>	<u>7/31/12</u>	<u>8/31/12</u>	<u>9/30/12</u>	<u>10/31/12</u>	<u>11/30/12</u>	<u>12/31/12</u>
High	45.56	49.59	50.33	48.22	46.47	46.16	42.81	44.27	46.92	50.24	50.46	53.14	54.93
Low	39.57	42.30	46.15	44.37	40.52	38.84	38.14	40.97	42.39	45.80	47.25	49.08	51.86
Close	43.26	48.23	47.25	45.99	45.04	40.08	42.59	43.78	46.18	47.88	49.78	52.99	53.12
No. Shar. Trad.(Act.) (000 omitted)	73,977	85,458	70,713	70,648	80,704	83,092	66,817	57,714	60,798	49,588	49,973	61,880	50,588

**Aflac Incorporated and Subsidiaries**

**Share Data**  
(In thousands)

		Beginning Shares Outstanding	Shares Issued		Shares Purchased		Ending Shares Outstanding	QTD Weighted Avg. Shares			YTD Weighted Avg. Shares		
			Stk. Bon. & DRP	Stk. Opt. & Misc.	Treas. Shares	Misc. Purch.*		Avg. Shares	Dilutive Shares	Avg. Diluted	Avg. Shares	Dilutive Shares	Avg. Diluted
2007	1	492,550	357	987	5,062	–	488,832	490,554	6,104	496,658	490,554	6,104	496,658
	2	488,832	407	1,428	2,000	184	488,483	487,900	6,327	494,227	489,219	6,216	495,435
	3	488,483	333	1,241	2,000	305	487,752	487,065	5,754	492,819	488,493	6,062	494,555
	4	487,752	302	557	2,011	70	486,530	486,017	6,223	492,240	487,869	6,102	493,971
2008	1	486,530	324	840	12,500	103	475,091	478,138	6,279	484,417	478,138	6,279	484,417
	2	475,091	364	578	–	6	476,027	474,383	6,445	480,828	476,261	6,362	482,623
	3	476,027	348	183	–	5	476,553	475,357	5,388	480,745	476,076	6,037	482,113
	4	476,553	487	308	10,701	32	466,615	465,450	3,528	468,978	473,405	5,410	478,815
2009	1	466,615	355	539	–	85	467,424	466,097	1,035	467,132	466,097	1,035	467,132
	2	467,424	–	64	–	4	467,484	466,401	1,884	468,285	466,249	1,460	467,709
	3	467,484	–	345	–	52	467,777	466,586	3,128	469,714	466,362	2,016	468,378
	4	467,777	–	914	–	123	468,568	467,128	3,993	471,121	466,552	2,511	469,063
2010	1	468,568	–	948	–	94	469,422	467,926	4,524	472,450	467,926	4,524	472,450
	2	469,422	–	1,348	–	1	470,769	468,824	3,715	472,539	468,377	4,120	472,497
	3	470,769	–	278	–	3	471,044	469,868	3,701	473,569	468,880	3,979	472,859
	4	471,044	–	711	2,000	94	469,661	469,506	4,252	473,758	469,038	4,047	473,085
2011	1	469,661	324	830	3,100	151	467,564	468,012	4,092	472,104	468,012	4,092	472,104
	2	467,564	421	86	1,000	4	467,067	466,498	3,254	469,752	467,317	3,673	470,990
	3	467,067	507	67	1,000	2	466,639	465,910	1,883	467,793	466,843	3,076	469,919
	4	466,639	437	159	900	25	466,310	465,559	2,175	467,734	466,519	2,851	469,370
2012	1	466,310	381	971	–	199	467,463	465,887	2,646	468,533	465,887	2,646	468,533
	2	467,463	524	129	–	6	468,110	466,788	1,802	468,590	466,337	2,224	468,561
	3	468,110	401	278	–	65	468,724	467,422	2,299	469,721	466,702	2,249	468,951
	4	<b>468,724</b>	<b>364</b>	<b>737</b>	<b>1,948</b>	<b>91</b>	<b>467,786</b>	<b>467,364</b>	<b>2,927</b>	<b>470,291</b>	<b>466,868</b>	<b>2,419</b>	<b>469,287</b>

\* Includes swapped shares and/or shares purchased for deferred compensation program

## Aflac Incorporated and Subsidiaries

### Summary of Operating Results by Business Segment

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2007	2008	2009	2010	2011	2011	2012	% Change	2011	2012	% Change
Aflac Japan	\$ 1,821	\$ 2,250	\$ 2,800	\$ 3,260	\$ 3,829	\$ 911	\$ 906	(.5) %	\$ 3,829	\$ 3,904	2.0 %
Aflac U.S.	692	745	776	922	904	196	208	5.9	904	997	10.3
Interest expense, non-insurance operations	(21)	(26)	(73)	(140)	(168)	(42)	(50)		(168)	(184)	
Parent company, other operations and eliminations	(25)	(43)	(68)	(60)	(63)	(20)	(6)		(63)	(59)	
Pretax operating earnings	2,467	2,926	3,435	3,982	4,502	1,045	1,058	1.3	4,502	4,658	3.4
Income taxes	854	1,014	1,158	1,380	1,556	361	361	(.2)	1,556	1,561	.3
Operating earnings*	1,613	1,912	2,277	2,602	2,946	684	697	2.0	2,946	3,097	5.1
Reconciling items:											
Impact from Derivatives and Hedging	2	(3)	(3)	(1)	(159)	22	30		(159)	100	
Realized investment gains (losses), net of tax	19	(655)	(788)	(273)	(850)	(168)	(141)		(850)	(326)	
Other non-recurring items, net of tax	—	—	11	—	—	—	(5)		—	(5)	
Net earnings	\$ 1,634	\$ 1,254	\$ 1,497	\$ 2,328	\$ 1,937	\$ 538	\$ 581	8.0 %	\$ 1,937	\$ 2,866	48.0 %
Earnings per share of common stock:											
Net earnings (basic)	\$ 3.35	\$ 2.65	\$ 3.21	\$ 4.96	\$ 4.16	\$ 1.16	\$ 1.24	6.9 %	\$ 4.16	\$ 6.14	47.6 %
Net earnings (diluted)	3.31	2.62	3.19	4.92	4.12	1.15	1.24	7.8	4.12	6.11	48.3
Operating earnings (basic)*	\$ 3.31	\$ 4.04	\$ 4.88	\$ 5.55	\$ 6.32	\$ 1.47	\$ 1.49	1.4 %	\$ 6.32	\$ 6.63	4.9 %
Operating earnings (diluted)*	3.27	3.99	4.85	5.50	6.27	1.45	1.48	2.1	6.27	6.60	5.3

\* See definition of operating earnings on cover page

Numbers may fail to foot due to rounding

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs

**Aflac Incorporated and Subsidiaries**

**Consolidated Statements of Earnings**

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2007	2008	2009	2010	2011	2011	2012	% Change	2011	2012	% Change
<b>Revenues:</b>											
Premiums, principally supplemental health	\$ 12,973	\$ 14,947	\$ 16,621	\$ 18,073	\$ 20,362	\$ 5,324	\$ 5,643	6.0 %	\$ 20,362	\$ 22,148	8.8 %
Net investment income	2,333	2,578	2,765	3,007	3,280	858	876	2.0	3,280	3,473	5.9
Realized investment gains (losses)	28	(1,007)	(1,212)	(422)	(1,552)	(223)	(171)		(1,552)	(349)	
Other income	59	36	80	74	81	20	27		81	92	
Total revenues	<u>15,393</u>	<u>16,554</u>	<u>18,254</u>	<u>20,732</u>	<u>22,171</u>	<u>5,979</u>	<u>6,375</u>	6.6	<u>22,171</u>	<u>25,364</u>	14.4
<b>Benefits and Expenses:</b>											
Benefits and claims	9,285	10,499	11,308	12,106	13,749	3,700	3,989	7.8	13,749	15,330	11.5
Acquisition and operating expenses:											
Amortization of D.A.C.	640	775	942	958	1,033	258	279		1,033	1,117	
Insurance commissions	1,331	1,460	1,568	1,637	1,725	438	435		1,725	1,744	
Insurance expenses	1,491	1,743	1,977	2,159	2,336	658	670		2,336	2,415	
Interest expense	27	29	72	149	196	52	75		196	261	
Other operating expense	120	134	152	162	182	51	47		182	195	
Total acquisition and operating expenses	<u>3,609</u>	<u>4,141</u>	<u>4,711</u>	<u>5,065</u>	<u>5,472</u>	<u>1,457</u>	<u>1,506</u>	3.4	<u>5,472</u>	<u>5,732</u>	4.8
Total benefits and expenses	<u>12,894</u>	<u>14,640</u>	<u>16,019</u>	<u>17,171</u>	<u>19,221</u>	<u>5,157</u>	<u>5,495</u>	6.6	<u>19,221</u>	<u>21,062</u>	9.6
Pretax earnings	2,499	1,914	2,235	3,561	2,950	822	880		2,950	4,302	
Income taxes	<u>865</u>	<u>660</u>	<u>738</u>	<u>1,233</u>	<u>1,013</u>	<u>284</u>	<u>299</u>		<u>1,013</u>	<u>1,436</u>	
Net earnings	<u>\$ 1,634</u>	<u>\$ 1,254</u>	<u>\$ 1,497</u>	<u>\$ 2,328</u>	<u>\$ 1,937</u>	<u>\$ 538</u>	<u>\$ 581</u>	8.0 %	<u>\$ 1,937</u>	<u>\$ 2,866</u>	48.0 %
Operating earnings *	<u>\$ 1,613</u>	<u>\$ 1,912</u>	<u>\$ 2,277</u>	<u>\$ 2,602</u>	<u>\$ 2,946</u>	<u>\$ 684</u>	<u>\$ 697</u>	2.0 %	<u>\$ 2,946</u>	<u>\$ 3,097</u>	5.1 %
<b>Earnings Per Share of Common Stock:</b>											
Net earnings (basic)	\$ 3.35	\$ 2.65	\$ 3.21	\$ 4.96	\$ 4.16	\$ 1.16	\$ 1.24	6.9 %	\$ 4.16	\$ 6.14	47.6 %
Net earnings (diluted)	3.31	2.62	3.19	4.92	4.12	1.15	1.24	7.8	4.12	6.11	48.3
Operating earnings (basic) *	\$ 3.31	\$ 4.04	\$ 4.88	\$ 5.55	\$ 6.32	\$ 1.47	\$ 1.49	1.4 %	\$ 6.32	\$ 6.63	4.9 %
Operating earnings (diluted) *	3.27	3.99	4.85	5.50	6.27	1.45	1.48	2.1	6.27	6.60	5.3

\* See definition of operating earnings on cover page

Numbers may fail to foot due to rounding

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs

**Aflac Incorporated and Subsidiaries**

**Analysis of Net Earnings and Net Earnings Per Diluted Share**

(In Millions, except for per-share data)

	Net Earnings	Real. Inv. Gains/(Losses)		Non-Recurring Items	Currency Impact	Net Earnings Per Share	Real. Inv. Gains/(Losses)		Non-Recurring Items Per Share	Currency Impact Per Share
		Securities Transactions/Impairments	Impact From Derivatives and Hedging				Securities Transactions/Impairments Per Share	Impact From Derivatives and Hedging Per Share		
2002	\$ 785	\$ (15)	\$ 37	\$ (26)	\$ (10)	\$ 1.49	\$ (.03)	\$ .07	\$ (.05)	\$ (.02)
2003	768	(191)	(3)	—	33	1.47	(.37)	—	—	.06
2004	1266	(5)	(13)	131	39	2.45	(.01)	(.03)	.26	.08
2005	1,483	167	(10)	34	(8)	2.92	.33	(.02)	.07	(.02)
2006	1,483	51	—	—	(39)	2.95	.10	—	—	(.08)
2007	1,634	18	2	—	(11)	3.31	.04	—	—	(.02)
2008	1,254	(655)	(3)	—	111	2.62	(1.37)	—	—	.23
2009	1,497	(788)	(3)	11	124	3.19	(1.67)	(.01)	.02	.26
2010	2,328	(273)	(1)	—	92	4.92	(.58)	—	—	.19
2011	1,937	(850)	(159)	—	170	4.12	(1.81)	(.34)	—	.36
2012	2,866	(326)	100	(5)	8	6.11	(.69)	.21	(.01)	.01
2009 1	569	(6)	(3)	10	41	1.22	(.01)	(.01)	.02	.09
2	314	(249)	—	1	24	.67	(.53)	—	—	.05
3	363	(226)	—	—	42	.77	(.48)	—	—	.09
4	251	(307)	—	—	17	.53	(.65)	—	—	.03
2010 1	634	(41)	11	—	22	1.34	(.08)	.02	—	.05
2	576	7	(65)	—	12	1.22	.02	(.14)	—	.02
3	684	(3)	9	—	32	1.44	(.01)	.02	—	.07
4	434	(235)	44	—	27	.92	(.51)	.10	—	.06
2011 1	389	(357)	(19)	—	49	.83	(.75)	(.04)	—	.10
2	274	(480)	26	—	51	.58	(1.03)	.06	—	.11
3	736	155	(189)	—	45	1.57	.33	(.41)	—	.09
4	538	(168)	23	—	26	1.14	(.36)	.05	—	.06
2012 1	785	(81)	52	—	20	1.68	(.17)	.11	—	.04
2	483	(228)	(44)	—	6	1.03	(.49)	(.09)	—	.01
3	1,017	124	62	—	2	2.16	.26	.13	—	—
4	<b>581</b>	<b>(141)</b>	<b>30</b>	<b>(5)</b>	<b>(20)</b>	<b>1.24</b>	<b>(.29)</b>	<b>.06</b>	<b>(.01)</b>	<b>(.04)</b>

Addition of quarters may not equal annual amounts due to rounding

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs



**Consolidated Balance Sheets**

(In Millions, except per-share data)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Assets:</b>						
Investments and cash:						
Securities available for sale:						
Fixed Maturities	\$ 30,511	\$ 35,012	\$ 36,781	\$ 43,100	\$ 42,222	\$ 51,466
Fixed Maturities - consolidated variable interest entities	—	—	—	5,255	5,350	5,787
Perpetual securities	4,090	8,047	7,263	5,974	5,149	3,728
Perpetual securities - consolidated variable interest entities	—	—	—	1,538	1,290	574
Equity securities	27	27	24	23	25	23
Securities held to maturity:						
Fixed Maturities	16,819	24,436	26,687	29,470	46,366	54,137
Fixed Maturities - consolidated variable interest entities	—	—	—	614	643	289
Perpetual securities	3,985	—	—	—	—	—
Other Investments	61	87	114	135	168	174
Cash and cash equivalents	1,563	941	2,323	2,121	2,249	2,041
Total investments and cash	<u>57,056</u>	<u>68,550</u>	<u>73,192</u>	<u>88,230</u>	<u>103,462</u>	<u>118,219</u>
Receivables, primarily premiums	732	920	764	661	680	976
Accrued investment income	561	650	649	738	802	842
Deferred policy acquisition costs	6,654	8,237	8,533	8,938	9,789	9,658
Property and equipment, net	496	597	593	620	617	564
Other assets	306	377	375	1,056	887	835
Total assets	<u>\$ 65,805</u>	<u>\$ 79,331</u>	<u>\$ 84,106</u>	<u>\$ 100,243</u>	<u>\$ 116,237</u>	<u>\$ 131,094</u>
<b>Liabilities and Shareholders' Equity:</b>						
Liabilities:						
Total policy liabilities	\$ 50,676	\$ 66,219	\$ 69,245	\$ 82,456	\$ 94,593	\$ 97,949
Notes payable	1,465	1,721	2,599	3,038	3,285	4,352
Income taxes, primarily deferred	2,531	1,201	1,653	1,689	2,308	3,858
Other liabilities	2,338	3,551	2,192	2,520	3,105	8,957
Total liabilities	<u>57,010</u>	<u>72,692</u>	<u>75,689</u>	<u>89,703</u>	<u>103,291</u>	<u>115,116</u>
Shareholders' equity:						
Common stock	66	66	66	66	66	67
Additional paid-in capital	1,054	1,184	1,228	1,320	1,408	1,505
Retained earnings	10,637	11,306	12,410	13,787	15,148	17,387
Accumulated other comprehensive income:						
Unrealized foreign currency translation	129	750	776	817	984	333
Unrealized gains on investment securities	874	(1,211)	(640)	33	1,143	2,570
Unrealized gains on derivatives	—	—	—	31	9	(5)
Minimum pension liability adjustment	(69)	(121)	(107)	(128)	(171)	(183)
Treasury stock	(3,896)	(5,335)	(5,316)	(5,386)	(5,641)	(5,696)
Total shareholders' equity	<u>8,795</u>	<u>6,639</u>	<u>8,417</u>	<u>10,540</u>	<u>12,946</u>	<u>15,978</u>
Total liabilities & shareholders' equity	<u>\$ 65,805</u>	<u>\$ 79,331</u>	<u>\$ 84,106</u>	<u>\$ 100,243</u>	<u>\$ 116,237</u>	<u>\$ 131,094</u>

**Aflac Incorporated and Subsidiaries**

**Quarterly Financial Results**  
(In Millions, except per-share data)

		Premium Income	Net Invest. Income	Total Rev.	Benefits & Claims	Total Acqu. & Oper. Exp.	Total Benefits & Exp.	Total Pretax Earn.	Oper. Earn. *	Net Earn.	Oper. EPS *		Net EPS		Total Assets	Invest. & Cash	Equity Per Share	Unreal. G/L on Sec. Per Share	Equity excl G/L on Sec. Per Share
											Basic	Dil.	Basic	Dil.					
2004	1	2,773	474	3,280	2,078	736	2,814	466	284	304	.56	.55	.60	.59	53,289	46,379	13.76	4.90	8.87
	2	2,768	484	3,233	2,068	752	2,819	414	284	258	.56	.55	.51	.50	52,130	45,136	12.17	2.89	9.27
	3	2,822	491	3,321	2,124	745	2,869	452	292	293	.58	.57	.58	.57	52,913	46,032	14.32	4.69	9.64
	4	2,939	509	3,448	2,212	794	3,006	442	293	410	.58	.57	.81	.80	59,326	51,955	15.04	4.80	10.24
2005	1	3,041	514	3,559	2,266	787	3,053	506	335	328	.67	.66	.65	.64	57,041	49,755	15.49	4.88	10.61
	2	3,020	518	3,567	2,229	822	3,051	516	326	336	.65	.64	.67	.66	57,995	50,547	16.88	5.86	11.02
	3	2,997	522	3,669	2,237	787	3,024	645	333	455	.67	.66	.91	.90	57,453	49,917	16.00	4.35	11.65
	4	2,931	517	3,567	2,157	851	3,008	559	298	364	.60	.59	.73	.72	56,361	48,989	15.89	3.84	12.05
2006	1	3,005	524	3,559	2,181	803	2,984	574	364	375	.73	.72	.75	.74	56,136	48,865	15.48	2.61	12.87
	2	3,093	542	3,697	2,243	830	3,073	624	376	408	.76	.75	.82	.81	57,432	49,795	14.70	1.17	13.53
	3	3,102	548	3,672	2,291	824	3,115	558	363	367	.73	.72	.74	.73	58,353	50,686	16.51	2.58	13.93
	4	3,114	557	3,687	2,300	880	3,180	507	329	332	.67	.66	.67	.67	59,805	51,972	16.93	2.94	13.99
2007	1	3,156	566	3,751	2,258	857	3,115	636	407	416	.83	.82	.85	.84	61,192	53,268	17.37	2.80	14.56
	2	3,162	572	3,764	2,266	863	3,129	635	407	415	.83	.82	.85	.84	60,114	52,197	16.77	1.80	14.97
	3	3,260	592	3,861	2,331	888	3,219	642	417	420	.86	.85	.86	.85	63,576	55,073	17.33	1.55	15.78
	4	3,395	604	4,018	2,431	1,002	3,433	585	382	382	.79	.78	.79	.78	65,805	57,056	18.08	1.80	16.28
2008	1	3,635	627	4,267	2,538	1,003	3,541	726	475	474	.99	.98	.99	.98	72,269	62,788	17.12	.49	16.63
	2	3,684	637	4,336	2,575	1,021	3,596	740	487	483	1.03	1.01	1.02	1.00	70,552	60,892	16.59	(.45)	17.04
	3	3,647	637	3,691	2,551	992	3,543	148	493	100	1.04	1.02	.21	.21	70,457	60,727	13.64	(1.85)	15.49
	4	3,981	677	4,260	2,835	1,124	3,959	301	458	197	.98	.98	.42	.42	79,331	68,550	14.23	(2.60)	16.82
2009	1	4,115	688	4,818	2,811	1,136	3,947	871	568	569	1.22	1.22	1.22	1.22	71,815	61,729	11.12	(6.39)	17.51
	2	3,995	668	4,313	2,723	1,117	3,840	473	562	314	1.20	1.20	.67	.67	76,041	65,572	13.58	(4.55)	18.13
	3	4,165	692	4,526	2,817	1,160	3,977	549	589	363	1.26	1.25	.78	.77	82,616	71,625	16.85	(2.38)	19.23
	4	4,347	717	4,597	2,956	1,298	4,254	343	558	251	1.19	1.18	.54	.53	84,106	73,192	17.96	(1.37)	19.33
2010	1	4,348	726	5,065	2,857	1,238	4,095	970	664	634	1.41	1.40	1.35	1.34	84,473	73,998	18.17	(.46)	18.63
	2	4,333	727	4,980	2,885	1,215	4,099	881	634	576	1.36	1.34	1.23	1.22	90,501	79,532	20.29	.29	20.00
	3	4,607	765	5,394	3,102	1,245	4,347	1,046	678	684	1.44	1.44	1.46	1.44	97,067	85,585	22.57	1.26	21.31
	4	4,785	789	5,294	3,263	1,368	4,631	664	626	434	1.34	1.32	.92	.92	100,243	88,230	22.44	.14	22.30
2011	1	4,872	794	5,117	3,222	1,304	4,526	591	765	389	1.64	1.62	.83	.83	100,353	88,441	22.48	(.04)	22.52
	2	4,956	784	5,088	3,310	1,334	4,644	444	727	274	1.56	1.55	.59	.58	105,415	92,984	24.52	1.62	22.90
	3	5,210	843	5,987	3,517	1,377	4,894	1,093	770	736	1.65	1.65	1.58	1.57	113,857	100,808	26.05	1.52	24.53
	4	5,324	858	5,979	3,700	1,457	5,157	822	684	538	1.47	1.45	1.15	1.14	116,237	103,462	27.76	2.47	25.29
2012	1	5,378	882	6,240	3,646	1,392	5,038	1,202	814	785	1.75	1.74	1.68	1.68	115,552	103,104	29.19	3.10	26.09
	2	5,467	845	5,902	3,763	1,398	5,161	741	755	483	1.62	1.61	1.04	1.03	122,209	109,255	30.29	3.15	27.14
	3	5,660	869	6,847	3,932	1,435	5,367	1,480	831	1,017	1.78	1.77	2.17	2.16	137,840	124,215	34.10	4.83	29.27
	4	<b>5,643</b>	<b>876</b>	<b>6,375</b>	<b>3,989</b>	<b>1,506</b>	<b>5,495</b>	<b>880</b>	<b>697</b>	<b>581</b>	<b>1.49</b>	<b>1.48</b>	<b>1.24</b>	<b>1.24</b>	<b>131,094</b>	<b>118,219</b>	<b>34.16</b>	<b>5.48</b>	<b>28.67</b>

\* See definition of operating earnings on cover page

Equity per share amounts have been adjusted for revised accounting guidance for quantifying financial statement misstatements on January 1, 2006

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs

**Aflac Incorporated and Subsidiaries**

**Percentage Increases and Selected Ratios**

	Premium Income	Net Investment Income	Total Revenues	Total Benefits & Claims	Operating Expenses	Pretax Earnings	Tax Rate	Operating Earnings Per Share *	Profit Margins		Total Assets	Invested Assets	Equity Per Share
									Pretax Operating Profit Margin**	After-tax Operating Profit Margin**			
2002	6.6 %	4.1 %	6.9 %	4.5 %	8.8 %	16.8 %	35.8 %	16.4 %	12.1 %	7.7 %	19.0 %	19.4 %	19.5 %
2003	15.4	10.7	11.6	14.3	11.3	(2.0)	35.8	23.5	12.8	8.2	13.1	12.5	4.9
2004	13.9	9.5	16.0	12.7	11.1	47.5	28.6	21.2	13.7	8.9	16.4	17.9	15.4
2005	6.1	5.8	8.1	4.8	7.3	25.5	33.4	13.9	14.0	9.2	(5.0)	(5.7)	5.7
2006	2.7	4.8	1.8	1.4	2.8	1.7	34.5	12.2	15.0	9.9	6.1	6.1	6.7
2007	5.4	7.5	5.3	3.0	8.2	10.4	34.6	14.7	16.1	10.5	10.0	9.8	6.8
2008	15.2	10.5	7.5	13.1	14.7	(23.4)	34.5	22.0	16.7	10.9	20.6	20.1	(21.3)
2009	11.2	7.3	10.3	7.7	13.8	16.8	33.0	21.6	17.7	11.7	6.0	6.8	26.2
2010	8.7	8.7	13.6	7.1	7.0	60.4	34.6	13.4	18.8	12.3	19.2	20.5	24.9
2011	12.7	9.1	6.9	13.6	8.0	(17.1)	34.3	14.0	19.0	12.4	16.0	17.3	23.7
2012	8.8	5.9	14.4	11.5	4.8	45.8	33.4	5.3	18.1	12.0	12.8	14.3	23.0
2009 1	13.2	9.6	12.9	10.7	13.3	20.0	34.7	24.5	18.1	11.8	(.6)	(1.7)	(35.0)
2	8.4	5.0	(.5)	5.8	9.3	(36.1)	33.6	18.8	18.2	12.0	7.8	7.7	(18.1)
3	14.2	8.6	22.6	10.4	16.9	270.6	33.9	22.5	18.4	12.1	17.3	17.9	23.5
4	9.2	5.9	7.9	4.3	15.5	13.8	26.6	20.4	16.1	11.0	6.0	6.8	26.2
2010 1	5.7	5.6	5.1	1.6	9.0	11.3	34.7	14.8	19.9	13.0	17.6	19.9	63.4
2	8.5	8.8	15.5	5.9	8.7	86.4	34.6	11.7	19.1	12.5	19.0	21.3	49.4
3	10.6	10.5	19.2	10.1	7.4	90.4	34.6	15.2	19.3	12.6	17.5	19.5	33.9
4	10.1	10.0	15.2	10.4	5.4	93.7	34.6	11.9	17.2	11.2	19.2	20.5	24.9
2011 1	12.0	9.4	1.0	12.7	5.3	(39.0)	34.2	15.7	20.6	13.4	18.8	19.5	23.7
2	14.4	7.9	2.2	14.8	9.8	(49.6)	38.3	15.7	19.3	12.6	16.5	16.9	20.8
3	13.1	10.1	11.0	13.4	10.6	4.5	32.6	14.6	19.4	12.7	17.3	17.8	15.4
4	11.3	8.9	12.9	13.4	6.4	23.9	34.6	9.8	16.9	11.0	16.0	17.3	23.7
2012 1	10.4	11.0	21.9	13.2	6.8	103.1	34.7	7.4	19.8	13.0	15.1	16.6	29.2
2	10.3	7.8	16.0	13.7	4.8	67.0	34.8	3.9	18.3	11.9	15.9	17.5	23.5
3	8.6	3.2	14.4	11.8	4.2	35.4	31.3	7.3	18.2	12.7	21.1	23.2	30.9
4	<b>6.0</b>	<b>2.0</b>	<b>6.6</b>	<b>7.8</b>	<b>3.4</b>	<b>7.0</b>	<b>33.9</b>	<b>2.1</b>	<b>16.2</b>	<b>10.6</b>	<b>12.8</b>	<b>14.3</b>	<b>23.0</b>

\* Diluted basis. See definition of operating earnings on cover page

\*\* See definition of operating earnings on cover page

*Equity per share amounts have been adjusted for revised accounting guidance for quantifying financial statement misstatements on January 1, 2006*

*Aflac Group Insurance included starting 4th quarter 2009*

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Aflac Incorporated and Subsidiaries**

**Currency Impact on Operating Earnings Per Share**  
(Diluted Basis)

		Reported	Reported	QTD	YTD	EPS	EPS			Reported	Reported	QTD	YTD	EPS	EPS
		EPS*	Growth	Yen	Yen	Excl.	Growth			EPS*	Growth	Yen	Yen	Excl.	Growth
				Effect	Effect*	1 Yr. Yen	Ex. 1 Yr.					Effect	Effect*	1 Yr. Yen	Ex. 1 Yr.
						Impact*	Yen Impact							Impact*	Yen Impact
<b>2005</b>	<b>1</b>	\$ .66	20.0 %	.01	.01	\$ .65	18.2 %	<b>2009</b>	<b>1</b>	\$ 1.22	24.5	.09	.09	\$ 1.13	15.3 %
	<b>2</b>	.64	16.4	.01	.02	.63	14.5		<b>2</b>	1.20	18.8	.05	.14	1.15	13.9
	<b>3</b>	.66	15.8	–	.02	.66	15.8		<b>3</b>	1.25	22.5	.09	.23	1.16	13.7
	<b>4</b>	.59	3.5	(.03)	(.02)	.62	8.8		<b>4</b>	1.18	20.4	.03	.26	1.15	17.3
		<u>\$ 2.54</u>	<u>13.9 %</u>			<u>\$ 2.56</u>	<u>14.8 %</u>			<u>\$ 4.85</u>	<u>21.6 %</u>			<u>\$ 4.59</u>	<u>15.0 %</u>
<b>2006</b>	<b>1</b>	\$ .72	9.1	(.04)	(.04)	\$ .76	15.2 %	<b>2010</b>	<b>1</b>	\$ 1.40	14.8	.05	.05	\$ 1.35	10.7 %
	<b>2</b>	.75	17.2	(.02)	(.06)	.77	20.3		<b>2</b>	1.34	11.7	.02	.07	1.32	10.0
	<b>3</b>	.72	9.1	(.02)	(.08)	.74	12.1		<b>3</b>	1.44	15.2	.07	.14	1.37	9.6
	<b>4</b>	.66	11.9	–	(.08)	.66	11.9		<b>4</b>	1.32	11.9	.05	.19	1.27	7.6
		<u>\$ 2.85</u>	<u>12.2 %</u>			<u>\$ 2.93</u>	<u>15.4 %</u>			<u>\$ 5.50</u>	<u>13.4 %</u>			<u>\$ 5.31</u>	<u>9.5 %</u>
<b>2007</b>	<b>1</b>	\$ .82	13.9	(.01)	(.01)	\$ .83	15.3 %	<b>2011</b>	<b>1</b>	\$ 1.62	15.7	.10	.10	\$ 1.52	8.6 %
	<b>2</b>	.82	9.3	(.02)	(.03)	.84	12.0		<b>2</b>	1.55	15.7	.11	.21	1.44	7.5
	<b>3</b>	.85	18.1	–	(.03)	.85	18.1		<b>3</b>	1.65	14.6	.10	.31	1.55	7.6
	<b>4</b>	.78	18.2	.01	(.02)	.77	16.7		<b>4</b>	1.45	9.8	.05	.36	1.40	6.1
		<u>\$ 3.27</u>	<u>14.7 %</u>			<u>\$ 3.29</u>	<u>15.4 %</u>			<u>\$ 6.27</u>	<u>14.0 %</u>			<u>\$ 5.91</u>	<u>7.5 %</u>
<b>2008</b>	<b>1</b>	\$ .98	19.5	.05	.05	\$ .93	13.4 %	<b>2012</b>	<b>1</b>	\$ 1.74	7.4	.04	.04	\$ 1.70	4.9 %
	<b>2</b>	1.01	23.2	.08	.13	.93	13.4		<b>2</b>	\$ 1.61	3.9	.01	.06	\$ 1.60	3.2 %
	<b>3</b>	1.02	20.0	.04	.17	.98	15.3		<b>3</b>	\$ 1.77	7.3	–	.06	\$ 1.77	7.3 %
	<b>4</b>	.98	25.6	.07	.23	.91	16.7		<b>4</b>	<b>\$ 1.48</b>	<b>2.1</b>	<b>(.04)</b>	<b>.01</b>	<b>\$ 1.52</b>	<b>4.8 %</b>
		<u>\$ 3.99</u>	<u>22.0 %</u>			<u>\$ 3.76</u>	<u>15.0 %</u>			<u>\$ 6.60</u>	<u>5.3 %</u>			<u>\$ 6.59</u>	<u>5.1 %</u>

\* Addition of quarters may not equal annual amounts due to rounding

See Definition of operating earnings from cover page

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs

**Composition of Invested Assets**  
(In Millions)

	December 31,					
	2007	2008	2009	2010	2011	2012
<b>Debt Securities (1)</b>						
Fixed Maturities	\$ 44,906	\$ 58,257	\$ 62,520	\$ 76,326	\$ 91,014	\$ 106,814
Perpetual Securities	8,252	9,074	7,554	7,827	6,897	4,213
Residential Mortgage Backs	644	1,068	1,000	811	681	519
Commercial Mortgage Backs	30	132	129	127	110	23
Asset Backed	143	104	174	917	561	482
CDOs	495	909	497	5	-	-
Total debt securities	<u>54,470</u>	<u>69,544</u>	<u>71,874</u>	<u>86,013</u>	<u>99,263</u>	<u>112,051</u>
<b>Equity Securities (1)</b>	21	24	21	22	21	20
<b>Total Portfolio</b>	<u>\$ 54,491</u>	<u>\$ 69,568</u>	<u>\$ 71,895</u>	<u>\$ 86,035</u>	<u>\$ 99,284</u>	<u>\$ 112,071</u>

**Unrealized Gains (Losses) on Investment Securities**  
(In Millions)

	December 31,					
	2007	2008	2009	2010	2011	2012
<b>Available For Sale:</b> Gains	\$ 1,977	\$ 2,049	\$ 1,925	\$ 2,539	\$ 3,678	\$ 4,716
Losses	(1,036)	(4,095)	(3,065)	(2,600)	(1,918)	(784)
Total AFS	<u>\$ 941</u>	<u>\$ (2,046)</u>	<u>\$ (1,140)</u>	<u>\$ (61)</u>	<u>\$ 1,760</u>	<u>\$ 3,932</u>
<b>Held to Maturity:</b> Gains	\$ 408	\$ 571	\$ 632	\$ 1,148	\$ 991	\$ 1,214
Losses	(1,087)	(1,923)	(1,491)	(763)	(1,618)	(798)
Total HTM	<u>\$ (679)</u>	<u>\$ (1,352)</u>	<u>\$ (859)</u>	<u>\$ 385</u>	<u>\$ (627)</u>	<u>\$ 416</u>

**Supplemental Investment Data by Segment**

	December 31,						3 Months Ended December 31,	
	2007	2008	2009	2010	2011	2012	2011	2012
<b>Aflac Japan:</b>								
Invested assets (in millions) (1)	¥ 5,393,712	¥ 5,686,195	¥ 5,984,151	¥ 6,417,206	¥ 7,180,568	¥ 8,870,864	¥ 7,180,568	¥ 8,870,864
Return on avg. invested assets (2)	4.06 %	3.82 %	3.65 %	3.48 %	3.18 %	2.89 %	3.10 %	2.66 %
Portfolio yield at end of period	4.02	3.90	3.77	3.56	3.29	2.87	3.29	2.87
Total new money yield	3.38	3.43	3.03	2.63	2.48	2.40	2.08	2.73
<b>Aflac U.S.:</b>								
Invested assets (in millions) (1)	\$ 7,189	\$ 7,135	\$ 7,696	\$ 8,778	\$ 9,035	\$ 10,629	\$ 9,035	\$ 10,629
Return on avg. invested assets (2)	6.79 %	6.77 %	6.66 %	6.37 %	6.41 %	6.25 %	6.42 %	5.95 %
Portfolio yield at end of period (3)	7.00	7.10	7.17	6.92	6.72	6.35	6.72	6.35
New money yield (3)	6.44	7.60	7.26	5.82	5.75	4.02	5.35	3.52

(1) At amortized cost

(2) Net of investment expenses, year-to-date number reflected on a quarterly average basis

(3) Excludes Aflac Group Insurance and Aflac New York

**Aflac Incorporated and Subsidiaries**

**Top 20 Global Investment Positions\***

(In Millions)

**December 31, 2012**

No	Consolidated Corporate/Sovereign Exposure	Total Consolidated Book Value	% of Total Debt Securities	Book Value	% of Total Debt & Perp Securities	Seniority	Ratings		
							Moody's	S&P	Fitch
1	JAPAN	\$ 44,081	39.34 %	\$ 44,081	39.34 %	Senior	Aa3	AA-	A+
2	ISRAEL ELECTRIC CORP LTD	748	.67	748	.67	Senior	Baa3	BB+	
3	SOUTH AFRICA, REPUBLIC OF	704	.63	704	.63	Senior	Baa1	BBB	BBB+
4	BANK OF AMERICA CORP (INCLUDES MERRILL LYNCH)	520	.46						
	Merrill Lynch & Co Inc			289	.26	Senior	Baa2	A-	A
	Bank of America Corp			231	.20	Lower Tier II	Baa3	BBB+	BBB
5	BANK OF TOKYO-MITSUBISHI UFJ LTD	520	.46						
	BTMU Curacao Holdings NV			520	.46	Lower Tier II	A1	A	BBB+
6	TUNISIA, REPUBLIC OF	496	.44	496	.44	Senior	Baa3	BB	BB+
7	INVESTCORP SA	477	.43						
	Investcorp Capital Limited			477	.43	Senior	Ba2		BB
8	NATIONAL GRID PLC	462	.41						
	National Grid Gas PLC			231	.21	Senior	A3	A-	A
	National Grid Electricity Transmission PLC			231	.20	Senior	A3	A-	A
9	SUMITOMO MITSUI FINANCIAL GROUP INC	462	.41						
	Sumitomo Mitsui Banking Corporation			115	.10	Lower Tier II	A1	A	
	Sumitomo Mitsui Banking Corporation (includes SMBC International Finance)			347	.31	Upper Tier II	A2	BBB+	
10	TELECOM ITALIA SPA	462	.41						
	Telecom Italia Finance SA			462	.41	Senior	Baa2	BBB	BBB
11	DEUTSCHE BANK AG	460	.41						
	Deutsche Postbank AG			277	.25	Lower Tier II	Baa3	BBB+	A-
	Deutsche Bank Capital Trust II			167	.15	Tier I	Ba2	BBB	BBB-
	Deutsche BK CAP FDG Capital Trust I			16	.01	Tier I	Ba2	BBB	BBB-
12	CITIGROUP INC	456	.41						
	Citigroup Inc (includes Citigroup Global Markets Holdings Inc)			455	.41	Senior	Baa2	A-	A
	Citigroup Inc (Citicorp)			1	.00	Lower Tier II	Baa3	BBB+	BBB+
13	JP MORGAN CHASE & CO (INCLUDING BEAR STEARNS)	455	.41						
	JPMorgan Chase & Co (including Bear Stearns Companies Inc)			404	.36	Senior	A2	A	A+
	JPMorgan Chase & Co (FNBC)			23	.02	Senior	Aa1	A+	
	JPMorgan Chase & Co (Bank One Corp)			17	.02	Lower Tier II	A3	A-	A
	JPMorgan Chase & Co (NBD Bank)			11	.01	Lower Tier II	A1	A	A
14	METLIFE INC	454	.41						
	Metlife Inc			165	.15	Senior	A3	A-	A-
	Metropolitan Life Global Funding I			289	.26	Senior	Aa3	AA-	A+
15	BANOBRAS	427	.38	427	.38	Senior	Baa1	BBB	BBB
16	UNIQUE ZURICH AIRPORT	427	.38	427	.38	Senior		A	

**Aflac Incorporated and Subsidiaries**

**Top 20 Global Investment Positions**

(In Millions)

December 31, 2012

No.	Consolidated Corporate/Sovereign Exposure	Total Consolidated Book Value	% of Total Debt & Perp Securities	Book Value	% of Total Debt & Perp Securities	Seniority	Ratings		
							Moody's	S&P	Fitch
<b>17</b>	<b>GAS NATURAL SDG (UNION FENOSA)</b> Union Fenosa Finance B.V.	\$ 427	.38 %	427	.38	Senior	Baa2	BBB	BBB+
<b>18</b>	<b>GENERAL ELECTRIC CO</b> GE Capital Corporation	415	.37	363	.32	Senior	A1	AA+	
	Security Capital Group			37	.03	Senior	A1	AA+	
	Susa Partnership LP			9	.01	Senior	A1	AA+	
	GE Capital Services Inc.			6	.01	Lower Tier II	Aa3	AA+	
<b>19</b>	<b>OMAN, SULTANATE OF</b>	404	.36	404	.36	Senior	A1	A	
<b>20</b>	<b>DEUTSCHE TELEKOM AG</b> Deutsche Telekom AG	401	.36	347	.31	Senior	Baa1	BBB+	BBB+
	Deutsche Telekom International Finance			54	.05	Senior	Baa1	BBB+	BBB+
	<b>Subtotal</b>	\$ 53,258	47.53 %	\$ 53,258	47.53 %				
	<b>TOTAL DEBT &amp; PERPETUAL SECURITIES</b>	\$ 112,051	100.00 %	\$ 112,051	100.00 %				

## Aflac Incorporated and Subsidiaries

### Credit Ratings on Debt and Perpetual Securities

(At Amortized Cost)

December 31,						
	2007	2008	2009	2010	2011	2012
AAA	6.3 %	5.7 %	3.3 %	3.3 %	2.3 %	1.5 %
AA	44.3	39.8	34.6	35.7	41.3	46.2
A	30.7	34.1	39.6	36.0	31.3	22.8
BBB	16.8	18.6	15.6	18.8	19.5	24.8
BB or Lower	1.9	1.8	6.9	6.2	5.6	4.7
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

### Subordination Distribution of Debt Securities

(In Millions)

	December 31, 2011		December 31, 2012	
	Amortized Cost	% of Total	Amortized Cost	% of Total
Senior notes	\$ 85,544	86.2 %	\$ 102,978	91.9 %
Subordinated securities:				
Fixed maturities				
(stated maturity date):				
Lower Tier II	5,795	5.8	3,985	3.6
Upper Tier II	—	—	—	—
Tier I*	555	.6	405	.3
Surplus Notes	335	.3	334	.3
Trust Preferred - Non-banks	85	.1	85	.1
Other Subordinated - Non-banks	51	.1	51	.0
Total fixed maturities	<u>6,821</u>	<u>6.9</u>	<u>4,860</u>	<u>4.3</u>
Perpetual securities (economic maturity date):				
Upper Tier II	4,285	4.3	2,825	2.5
Tier I	2,268	2.3	1,079	1.0
Other Subordinated - Non-banks	344	.3	309	.3
Total perpetual securities	<u>6,897</u>	<u>6.9</u>	<u>4,213</u>	<u>3.8</u>
Total	<u>\$ 99,262</u>	<u>100.0 %</u>	<u>\$ 112,051</u>	<u>100.0 %</u>

\* Includes Trust Preferred securities

Aflac Group Insurance included starting 4th quarter 2009



**Aflac Incorporated and Subsidiaries**

**Below-Investment-Grade Holdings (1)**

(In Millions)

	December 31, 2011				December 31, 2012			
	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)
ISRAEL ELECTRIC CORPORATION LIMITED	\$ 888	\$ 847	\$ 805	\$ (42)	\$ 797	\$ 748	\$ 716	\$ (32)
REPUBLIC OF TUNISIA	823	823	877	54	739	496	496	-
INVESTCORP CAPITAL LIMITED	526	526	441	(85)	477	477	418	(59)
COMMERZBANK AG (INCLUDES DRESDNER BANK)	*	*	*	*	462	297	394	97
UPM-KYMMENE	399	399	235	(164)	358	358	263	(95)
UNICREDIT BANK AG (HVB FUNDING TRUST I, III, & VI)	*	*	*	*	341	257	257	-
LLOYDS BANKING GROUP PLC	408	360	312	(48)	328	292	351	59
SOCIETE GENERALE (2)	*	*	*	*	289	288	302	14
CSAV (TOLLO SHIPPING CO. S.A.)	309	130	130	-	277	117	145	28
BANK OF IRELAND, THE GOVERNOR & CO. OF	257	257	140	(117)	231	231	153	(78)
GENERALITAT DE CATALUNYA	*	*	*	*	208	76	91	15
TOKYO ELECTRIC POWER CO.,INC.	232	235	211	(24)	199	201	203	2
BANKIA SA (BANCAJA EMISIONES SA UNIPERSONAL)	*	*	*	*	173	64	66	2
EDP (ENERGIAS DE PORTUGAL SA)	*	*	*	*	158	156	155	(1)
IKB DEUTSCHE INDUSTRIEBANK AG	167	87	87	-	150	78	96	18
REDES ENERGETICAS NACIONAIS SGPS,S.A.	129	129	105	(24)	116	116	100	(16)
FINANCE FOR DANISH INDUSTRY (FIH)	129	100	100	-	116	90	100	10
BARCLAYS BANK PLC (2)	*	*	*	*	65	48	62	14
NEXTERA ENERGY INC. (FPL MARCUS HOOK, WHITE PINE HYDRO)	40	40	44	4	64	59	65	6
SPAREBANKEN VEST (2)	60	60	59	(1)	60	60	60	-
DEXIA SA (Includes Dexia Bank Belgium & Dexia Overseas) (2)	579	190	190	-	-	-	-	-
ERSTE GROUP BANK (ERSTE FINANCE JERSEY LTD. 3 & 5) (2)	450	424	253	(171)	-	-	-	-
FORD MOTOR CREDIT COMPANY	386	386	388	2	*	*	*	*
SWEDBANK AB (2)	180	139	106	(33)	-	-	-	-
BAWAG CAPITAL FINANCE JERSEY (2)	180	77	77	-	-	-	-	-
HYPO VORARLBERG CAPITAL FINANCE (2)	141	83	86	3	-	-	-	-
Other Issuers (below \$50M in Par Value) (3)	408	378	339	(39)	384	360	364	4
	<u>\$ 6,691</u>	<u>\$ 5,670</u>	<u>\$ 4,985</u>	<u>\$ (685)</u>	<u>\$ 5,992</u>	<u>\$ 4,869</u>	<u>\$ 4,857</u>	<u>\$ (12)</u>

\* Investment grade at respective reporting date

(1) Does not include senior secured bank loans in an externally managed portfolio that were below investment grade when initially purchased

(2) Includes perpetual security

(3) Includes 17 issuers in 2011 and 14 issuers in 2012

**Statements of Earnings**  
(Before Management Fee)  
(Unaudited GAAP)  
(In Millions)

	<u>Years Ended December 31,</u>					<u>3 Months Ended December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>	<u>%</u> <u>Change</u>	<u>2011</u>	<u>2012</u>	<u>%</u> <u>Change</u>
<b>Revenues:</b>											
Premiums	\$ 3,936	\$ 4,272	\$ 4,444	\$ 4,586	\$ 4,743	\$ 1,195	<b>\$ 1,261</b>	5.5 %	\$ 4,743	<b>\$ 4,996</b>	5.4 %
Net investment income	500	505	499	549	588	149	<b>156</b>	4.4	588	<b>613</b>	4.2
Other income and realized foreign currency translations	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>10</u>	<u>3</u>	<u>8</u>		<u>10</u>	<u>19</u>	
Total revenues	<u>4,446</u>	<u>4,787</u>	<u>4,953</u>	<u>5,146</u>	<u>5,341</u>	<u>1,347</u>	<u>1,425</u>	5.8	<u>5,341</u>	<u>5,628</u>	5.4
<b>Benefits and expenses:</b>											
Incurred claims	1,783	2,043	2,225	2,268	2,308	574	<b>593</b>	3.4	2,308	<b>2,386</b>	3.4
Increase in future policy benefits	567	484	336	286	405	116	<b>131</b>	12.3	405	<b>448</b>	10.5
Amortization of deferred policy acquisition costs	323	370	419	395	383	96	<b>98</b>	1.7	383	<b>400</b>	4.5
General operating expenses	<u>1,081</u>	<u>1,145</u>	<u>1,197</u>	<u>1,275</u>	<u>1,341</u>	<u>365</u>	<u>395</u>	8.4	<u>1,341</u>	<u>1,397</u>	4.1
Total benefits and expenses	<u>3,754</u>	<u>4,042</u>	<u>4,177</u>	<u>4,224</u>	<u>4,437</u>	<u>1,151</u>	<u>1,217</u>	5.8	<u>4,437</u>	<u>4,631</u>	4.4
Pretax operating earnings	<u>\$ 692</u>	<u>\$ 745</u>	<u>\$ 776</u>	<u>\$ 922</u>	<u>\$ 904</u>	<u>\$ 196</u>	<u>\$ 208</u>	<u>5.9 %</u>	<u>\$ 904</u>	<u>\$ 997</u>	<u>10.3 %</u>
Realized capital gains, net of taxes	<u>2</u>	<u>(139)</u>	<u>(98)</u>	<u>(46)</u>	<u>34</u>	<u>(14)</u>	<u>29</u>		<u>34</u>	<u>44</u>	

*Aflac Group Insurance included starting 4th quarter 2009*

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Balance Sheets**  
(Unaudited GAAP)  
(In Millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Assets:</b>						
Investments and cash	\$ 7,396	\$ 6,393	\$ 8,364	\$ 9,553	\$ 10,450	\$ 12,420
Receivables, principally premiums	355	415	379	390	394	428
Accrued investment income	118	117	123	145	162	170
Deferred policy acquisition costs	2,385	2,593	2,687	2,549	2,687	2,857
Other assets	<u>161</u>	<u>161</u>	<u>226</u>	<u>237</u>	<u>249</u>	<u>247</u>
Total assets	<u>\$ 10,415</u>	<u>\$ 9,679</u>	<u>\$ 11,779</u>	<u>\$ 12,874</u>	<u>\$ 13,942</u>	<u>\$ 16,122</u>
<b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	\$ 4,958	\$ 5,442	\$ 5,779	\$ 6,078	\$ 6,483	\$ 6,931
Policy and contract claims	856	933	1,023	1,126	1,195	1,278
Unearned premium	109	110	108	105	103	101
Other policyholder funds	56	265	277	272	288	298
Deferred income taxes	754	238	487	383	204	1,238
Other liabilities	673	586	649	896	816	909
Shareholders' equity	<u>3,009</u>	<u>2,105</u>	<u>3,456</u>	<u>4,014</u>	<u>4,853</u>	<u>5,367</u>
Total liabilities & shareholders' equity	<u>\$ 10,415</u>	<u>\$ 9,679</u>	<u>\$ 11,779</u>	<u>\$ 12,874</u>	<u>\$ 13,942</u>	<u>\$ 16,122</u>

*Aflac Group Insurance included starting 4th quarter 2009*

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Quarterly Statements of Earnings and Percentage Changes**

(Unaudited GAAP – Restated to conform to current classifications)

(In Millions)

		<b>Earned</b>	<b>%</b>	<b>Net</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Amort.</b>	<b>%</b>	<b>General</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Pretax</b>	<b>%</b>
		<b>Prem.</b>	<b>Change</b>	<b>Invest.</b>	<b>Change</b>	<b>Rev.</b>	<b>Change</b>	<b>Ben.</b>	<b>Change</b>		<b>Change</b>	<b>Oper.</b>	<b>Change</b>	<b>Oper.</b>	<b>Change</b>	<b>Oper.</b>	<b>Change</b>
				<b>Income</b>								<b>Exp.</b>		<b>Exp.</b>		<b>Earn.</b>	
2004	1	710	13.9	97	10.6	810	13.4	435	13.5	59	18.0	194	11.2	253	12.7	121	14.7
	2	726	14.0	98	12.7	827	13.8	446	14.7	61	19.5	200	8.6	261	11.0	120	17.2
	3	745	12.8	100	8.4	847	12.3	459	13.9	59	22.8	202	7.5	261	10.6	127	10.1
	4	753	11.9	101	6.1	857	11.2	463	12.8	66	10.0	199	11.3	265	10.9	129	6.0
2005	1	787	10.7	102	5.2	891	10.1	480	10.2	64	8.7	214	10.3	278	9.9	133	9.7
	2	803	10.6	104	6.2	910	10.0	494	10.8	62	1.2	224	12.1	286	9.6	130	8.3
	3	820	10.1	107	7.4	929	9.7	508	10.6	60	1.3	228	12.9	288	10.3	133	5.1
	4	835	10.8	108	7.1	945	10.3	509	10.0	72	9.6	235	18.3	307	16.1	129	(.3)
2006	1	866	10.1	110	8.3	980	10.0	523	9.0	75	16.3	235	10.0	310	11.3	147	10.4
	2	878	9.3	115	10.0	994	9.2	527	6.7	70	13.6	247	9.8	317	10.5	150	15.1
	3	898	9.5	120	12.1	1,021	9.8	545	7.3	68	12.4	246	7.8	314	8.6	162	21.7
	4	910	9.0	120	11.0	1,033	9.3	574	12.7	77	7.5	256	8.4	333	8.2	126	(1.8)
2007	1	961	10.9	122	10.3	1,085	10.7	572	9.3	80	7.4	264	12.1	344	11.0	169	15.4
	2	972	10.7	124	8.4	1,099	10.6	584	10.8	79	11.8	265	7.6	344	8.5	171	14.1
	3	993	10.7	127	5.4	1,122	10.0	596	9.3	76	12.1	268	9.3	344	9.9	182	12.3
	4	1,010	10.9	127	6.2	1,140	10.4	599	4.4	88	14.3	283	11.1	371	11.8	170	34.2
2008	1	1,050	9.3	123	1.3	1,176	8.4	616	7.8	95	18.4	274	3.8	369	7.2	191	12.6
	2	1,064	9.5	125	.1	1,191	8.4	628	7.6	85	8.2	288	8.5	373	8.4	190	11.1
	3	1,078	8.5	129	1.7	1,209	7.8	637	6.9	88	16.4	280	4.4	368	7.0	204	11.9
	4	1,080	7.0	128	.7	1,211	6.2	645	7.7	102	15.7	304	7.1	406	9.1	160	(5.5)
2009	1	1,103	5.0	125	1.4	1,230	4.7	609	(1.1)	126	32.8	291	6.1	417	13.0	204	7.2
	2	1,094	2.8	127	1.8	1,223	2.7	631	.4	104	21.9	290	1.1	394	5.8	198	4.0
	3	1,110	3.0	123	(4.4)	1,236	2.2	642	.8	93	5.4	285	1.9	378	2.7	216	5.7
	4	1,136	5.2	124	(3.1)	1,264	4.3	680	5.3	96	(6.0)	330	8.7	426	5.0	158	(1.5)
2010	1	1,142	3.5	132	5.6	1,276	3.7	580	(4.7)	125	(1.3)	325	12.1	450	8.0	245	20.0
	2	1,147	4.9	135	6.1	1,285	5.1	655	3.8	82	(20.5)	323	10.8	405	2.6	225	13.9
	3	1,150	3.6	138	11.9	1,290	4.4	668	4.1	89	(4.6)	307	7.6	396	4.6	226	4.8
	4	1,148	1.0	144	16.1	1,295	2.5	649	(4.5)	100	3.8	320	(3.0)	420	(1.5)	226	42.9
2011	1	1,169	2.5	144	8.8	1,316	3.1	642	10.6	107	(14.1)	316	(3.1)	423	(6.1)	251	2.4
	2	1,186	3.4	148	9.7	1,337	4.0	676	3.2	89	8.0	329	2.0	418	3.2	243	7.8
	3	1,192	3.7	147	7.1	1,342	4.0	704	5.4	91	2.6	332	8.2	423	6.9	214	(5.2)
	4	1,195	4.1	149	3.4	1,347	4.0	690	6.3	96	(3.3)	365	13.9	461	9.8	196	(13.1)
2012	1	1,231	5.2	152	5.5	1,385	5.2	678	5.6	110	2.3	326	3.1	436	2.9	271	8.1
	2	1,251	5.5	153	3.6	1,406	5.2	719	6.3	92	3.6	337	2.6	429	2.9	258	6.3
	3	1,254	5.2	153	3.5	1,412	5.2	712	1.1	101	10.8	339	1.9	440	3.8	260	21.5
	4	<b>1,261</b>	<b>5.5</b>	<b>156</b>	<b>4.4</b>	<b>1,425</b>	<b>5.8</b>	<b>724</b>	<b>4.9</b>	<b>98</b>	<b>1.7</b>	<b>395</b>	<b>8.4</b>	<b>493</b>	<b>7.0</b>	<b>208</b>	<b>5.9</b>

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs

**Operating Ratios**  
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistency Rate *</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Incurred Claims/ Premium</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Tot. Ben./ Premium</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
	2002	74.6 %	41.9 %	48.4 %	53.1 %	61.2 %	7.9 %	31.5 %	84.6 %	15.4 %
	2003	74.0	42.2	48.3	53.5	61.1	8.1	31.5	85.0	15.0
	2004	73.7	42.6	48.5	54.0	61.4	8.4	31.1	85.1	14.9
	2005	74.4	42.6	48.2	54.2	61.3	8.0	31.5	85.7	14.3
	2006	73.9	38.7	43.8	53.9	61.0	8.2	31.6	85.5	14.5
	2007	73.9	40.1	45.3	52.9	59.7	8.2	31.5	84.4	15.6
	2008	73.2	42.7	47.8	52.8	59.1	8.7	31.6	84.4	15.6
	2009	72.2	44.9	50.1	51.7	57.7	9.4	32.6	84.3	15.7
	2010	73.6	44.1	49.5	49.6	55.7	8.6	32.5	82.1	17.9
	2011	76.2	43.2	48.7	50.8	57.2	8.1	32.3	83.1	16.9
	2012	77.1	42.4	47.8	50.3	56.7	8.0	32.0	82.3	17.7
2009	1	66.9	44.1	49.2	49.5	55.2	11.4	33.9	83.4	16.6
	2	69.6	45.6	51.0	51.6	57.7	9.5	32.3	83.9	16.1
	3	71.3	44.4	49.5	51.9	57.8	8.4	30.6	82.5	17.5
	4	72.2	45.6	50.7	53.8	59.8	8.4	33.7	87.5	12.5
2010	1	66.4	45.0	50.3	45.5	50.8	10.9	35.3	80.8	19.2
	2	71.1	43.6	48.8	51.0	57.1	7.2	31.5	82.5	17.5
	3	72.6	43.9	49.2	51.8	58.1	7.7	30.7	82.5	17.5
	4	73.6	43.9	49.5	50.1	56.6	8.7	32.5	82.6	17.4
2011	1	73.0	42.9	48.3	48.8	54.9	9.2	32.1	80.9	19.1
	2	75.2	42.3	47.7	50.6	57.0	7.5	31.3	81.9	18.1
	3	75.9	45.0	50.7	52.5	59.1	7.6	31.5	84.0	16.0
	4	76.2	42.6	48.0	51.2	57.7	8.0	34.2	85.4	14.6
2012	1	74.7	42.8	48.2	49.0	55.1	8.9	31.4	80.4	19.6
	2	76.6	42.6	47.9	51.1	57.5	7.4	30.6	81.7	18.3
	3	76.9	42.5	47.9	50.4	56.8	8.0	31.2	81.6	18.4
	4	77.1	41.6	47.1	50.8	57.4	7.8	34.6	85.4	14.6

*Aflac Group Insurance included starting 4th quarter 2009*

*\*Premium persistency rate excludes Aflac Group Insurance*

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Aflac U.S. Sales Results**  
(In Millions)

	<b>Period</b>	<b>Annl. Prem. In Force</b>	<b>% Change</b>	<b>New Annl. Prem. Sales</b>	<b>% Change</b>	<b>Convers. Prem.</b>	<b>Total New Prem.</b>	<b>% Change</b>
	2002	\$ 2,674	19.5 %	\$ 1,059	16.6 %	\$ 11	\$ 1,070	16.4 %
	2003	3,043	13.8	1,111	4.9	17	1,128	5.4
	2004	3,374	10.9	1,156	4.0	30	1,186	5.1
	2005	3,711	10.0	1,235	6.8	24	1,259	6.1
	2006	4,101	10.5	1,395	13.0	28	1,423	13.1
	2007	4,510	10.0	1,522	9.1	36	1,558	9.5
	2008	4,789	6.2	1,518	(.2)	33	1,551	(.4)
	2009	4,956	3.5	1,426	(6.1)	27	1,453	(6.4)
	2010	4,973	.3	1,357	(4.9)	25	1,382	(4.9)
	2011	5,188	4.3	1,453	7.1	23	1,476	6.8
	2012	5,451	5.1	1,468	1.0	20	1,488	.8
2008	1	4,539	9.1	346	2.1	7	353	.4
	2	4,617	8.9	375	4.4	8	383	4.9
	3	4,680	8.0	361	(.3)	8	369	.1
	4	4,789	6.2	436	(5.5)	10	446	(5.6)
2009	1	4,737	4.4	345	(.3)	6	351	(.6)
	2	4,742	2.7	337	(10.3)	4	341	(10.9)
	3	4,774	2.0	336	(6.9)	6	342	(7.2)
	4	4,956	3.5	408	(6.3)	11	419	(6.3)
2010	1	4,868	2.8	309	(10.3)	7	316	(10.0)
	2	4,887	3.1	327	(2.8)	6	333	(2.4)
	3	4,897	2.6	319	(5.3)	5	324	(5.3)
	4	4,973	.3	401	(1.8)	8	409	(2.3)
2011	1	4,981	2.3	329	6.2	7	336	6.3
	2	5,038	3.1	348	6.4	5	353	5.9
	3	5,085	3.8	336	5.3	4	340	5.0
	4	5,188	4.3	440	9.8	7	447	9.3
2012	1	5,237	5.2	345	5.1	6	351	4.5
	2	5,295	5.1	354	1.6	5	359	1.5
	3	5,324	4.7	331	(1.4)	4	335	(1.5)
	4	<b>5,451</b>	<b>5.1</b>	<b>438</b>	<b>(.6)</b>	<b>6</b>	<b>444</b>	<b>(.7)</b>

*Aflac Group Insurance included starting 4th quarter 2009*

**Aflac U.S. Product Mix**  
(New Annualized Premium Sales, in Millions)

	Income-Loss Protection				Asset-Loss Protection				Supplemental Medical				Other	% of Total	
	STD	% of Total	Life	% of Total	Accident	% of Total	Critical Care*	% of Total	Hospital Indemnity	% of Total	Dental/Vision	% of Total			
2006	\$ 269	18.9 %	\$ 71	5.0 %	\$ 470	33.0 %	\$ 321	22.6 %	\$ 177	12.4 %	\$ 111	7.8 %	\$ 4	.3 %	
2007	300	19.2	85	5.5	492	31.6	360	23.1	212	13.6	106	6.8	3	.2	
2008	283	18.3	96	6.2	471	30.3	361	23.3	241	15.5	97	6.3	2	.1	
2009	257	17.7	91	6.3	436	30.0	329	22.6	254	17.5	83	5.7	4	.2	
2010	236	17.1	83	6.0	421	30.5	320	23.2	246	17.8	76	5.5	1	—	
2011	266	18.0	83	5.7	443	30.0	356	24.1	232	15.7	96	6.5	—	—	
2012	301	20.3	81	5.4	439	29.5	344	23.1	227	15.3	90	6.1	6	.3	
2010	1	56	17.6	20	6.3	94	29.8	67	21.2	61	19.5	17	5.5	1	.1
	2	57	17.0	21	6.2	106	31.8	73	21.9	58	17.3	19	5.6	—	.2
	3	56	17.2	20	6.1	99	30.5	73	22.5	56	17.4	20	6.2	1	.1
	4	68	16.5	22	5.4	122	29.8	107	26.2	70	17.1	20	4.9	1	.1
2011	1	58	17.2	21	6.2	99	29.6	78	23.4	56	16.6	23	6.9	1	.1
	2	59	16.6	21	5.9	109	30.9	82	23.3	56	15.9	26	7.4	—	—
	3	64	18.7	19	5.7	105	30.7	78	23.0	51	15.0	23	6.9	—	—
	4	85	19.1	23	5.1	130	29.1	117	26.2	69	15.4	23	5.1	—	—
2012	1	70	20.0	21	5.9	103	29.4	83	23.7	52	14.7	22	6.3	—	—
	2	73	20.3	20	5.6	109	30.3	79	22.1	55	15.3	23	6.4	—	—
	3	69	20.5	19	5.7	101	30.2	73	21.9	51	15.3	22	6.4	—	—
	4	90	20.2	21	4.8	126	28.4	108	24.4	70	15.7	23	5.2	6	1.3

**Aflac U.S. Sales Force Data**

	Recruited Agents	% Increase	Licensed Sales Associates	% Increase	Weekly Average Producers	% Increase	
2006	26,108	7.8 %	68,394	8.5 %	10,330	6.4 %	
2007	24,247	(7.1)	71,258	4.2	10,945	6.0	
2008	25,755	6.2	74,390	4.4	11,232	2.6	
2009	28,482	10.6	75,315	1.2	11,145	(.8)	
2010	22,167	(22.2)	72,535	(3.7)	10,410	(6.6)	
2011	24,495	10.5	74,802	3.1	10,427	.2	
2012	24,955	1.9	76,462	2.2	10,197	(2.2)	
2011	1	6,659	13.5	71,951	(3.5)	10,446	1.0
	2	6,413	10.2	72,681	(.2)	10,398	(.9)
	3	6,029	10.4	73,360	2.3	10,075	(.2)
	4	5,394	7.4	74,802	3.1	10,789	.8
2012	1	6,700	.6	76,277	6.0	10,190	(2.5)
	2	6,383	(.5)	76,852	5.7	10,280	(1.1)
	3	6,089	1.0	76,551	4.3	9,801	(2.7)
	4	5,783	7.2	76,462	2.2	10,519	(2.5)

\* Includes cancer, critical illness, and hospital intensive care products.

Aflac Group Insurance included starting 4th quarter 2009

**Statements of Earnings**  
(Unaudited GAAP – Yen in Millions)  
(Before Management Fee)

	<u>Years Ended December 31,</u>					<u>3 Months Ended December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>	<u>%</u> <u>Change</u>	<u>2011</u>	<u>2012</u>	<u>%</u> <u>Change</u>
<b>Revenues:</b>											
Premiums	¥ 1,063,700	¥ 1,101,233	¥ 1,137,958	¥ 1,181,389	¥ 1,245,361	¥ 319,637	¥ 355,507	11.2 %	¥ 1,245,361	¥ 1,368,480	9.9 %
Net investment income:											
Yen denominated	129,740	135,366	141,029	144,220	143,468	36,570	38,033	4.0	143,468	151,738	5.8
US\$ denominated	82,337	76,618	70,700	70,845	70,697	18,263	19,652	7.6	70,697	75,471	6.8
Total investment income	212,077	211,984	211,729	215,065	214,165	54,833	57,685	5.2	214,165	227,209	6.1
Other income and realized foreign currency translations	3,180	1,516	4,059	3,116	3,615	965	1,522		3,615	4,603	
Total revenues	1,278,957	1,314,733	1,353,746	1,399,570	1,463,141	375,435	414,714	10.5	1,463,141	1,600,292	9.4
<b>Benefits and expenses:</b>											
Incurred claims	509,776	565,218	589,194	588,228	601,114	150,471	163,139	8.4	601,114	636,166	5.8
Increase in future policy benefits	306,518	256,964	228,281	248,412	278,685	82,603	101,873	23.3	278,685	361,043	29.6
Amortization of deferred policy acquisition costs	37,332	41,632	48,814	49,468	51,863	12,497	14,701	17.6	51,863	57,168	10.2
General operating expenses	210,584	218,131	225,709	227,501	226,132	59,418	61,672	3.8	226,132	234,371	3.6
Total benefits and expenses	1,064,210	1,081,945	1,091,998	1,113,609	1,157,794	304,989	341,385	11.9	1,157,794	1,288,748	11.3
 Pretax operating earnings	¥ 214,747	¥ 232,788	¥ 261,748	¥ 285,961	¥ 305,347	¥ 70,446	¥ 73,329	4.1 %	¥ 305,347	¥ 311,544	2.0 %
 Realized capital gains, net of taxes	1,830	(52,777)	(64,133)	(16,946)	(81,921)	(10,475)	(23,004)		(81,921)	(34,236)	

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs



**Statements of Earnings**  
(Unaudited GAAP – Dollars in Millions)  
(Before Management Fee)

	<u>Years Ended December 31,</u>					<u>3 Months Ended December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>	<u>% Change</u>	<u>2011</u>	<u>2012</u>	<u>% Change</u>
<b>Revenues:</b>											
Premiums	\$ 9,037	\$ 10,674	\$ 12,178	\$ 13,487	\$ 15,619	\$ 4,129	\$ 4,382	6.1 %	\$ 15,619	\$ 17,151	9.8 %
Net investment income											
Yen denominated	1,102	1,312	1,510	1,645	1,799	472	463	(1.9)	1,799	1,902	5.7
US\$ denominated	699	741	755	808	889	236	248	4.9	889	943	6.0
Total investment income	1,801	2,053	2,265	2,453	2,688	708	711	.3	2,688	2,845	5.8
Other income and realized foreign currency translations	27	15	43	37	46	13	18		46	57	
Total revenues	10,865	12,742	14,486	15,977	18,353	4,850	5,111	5.4	18,353	20,053	9.3
<b>Benefits and expenses:</b>											
Incurred claims	4,325	5,477	6,296	6,709	7,534	1,944	2,012	3.5	7,534	7,973	5.8
Increase in future policy benefits	2,610	2,495	2,450	2,844	3,503	1,066	1,253	17.6	3,503	4,523	29.1
Amortization of deferred policy acquisition costs	318	404	523	563	650	161	181	12.3	650	716	10.3
Operating expenses	1,791	2,116	2,417	2,601	2,837	768	759	(1.0)	2,837	2,937	3.5
Total benefits and expenses	9,044	10,492	11,686	12,717	14,524	3,939	4,205	6.8	14,524	16,149	11.2
Pretax operating earnings	\$ 1,821	\$ 2,250	\$ 2,800	\$ 3,260	\$ 3,829	\$ 911	\$ 906	(.5) %	\$ 3,829	\$ 3,904	2.0 %
Realized capital gains, net of taxes	16	(513)	(690)	(228)	(1,043)	(131)	(238)		(1,043)	(372)	

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Balance Sheets**  
(Unaudited GAAP – Yen in Millions)

	<b>December 31,</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Assets:</b>						
Investments and cash	¥ 5,535,964	¥ 5,622,544	¥ 5,915,236	¥ 6,346,113	¥ 7,190,297	¥ <b>9,070,942</b>
Receivables, principally premiums	45,037	48,004	36,566	23,876	23,985	<b>48,978</b>
Accrued investment income	50,316	48,364	48,229	48,160	49,550	<b>57,900</b>
Deferred policy acquisition costs	487,363	513,723	538,430	520,682	552,104	<b>588,831</b>
Other assets	<u>62,872</u>	<u>61,286</u>	<u>59,467</u>	<u>109,003</u>	<u>89,625</u>	<u><b>75,618</b></u>
 Total assets	 ¥ <u><u>6,181,552</u></u>	 ¥ <u><u>6,293,921</u></u>	 ¥ <u><u>6,597,928</u></u>	 ¥ <u><u>7,047,834</u></u>	 ¥ <u><u>7,905,561</u></u>	 ¥ <u><u><b>9,842,269</b></u></u>
 <b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	¥ 4,647,594	¥ 4,903,439	¥ 5,131,769	¥ 5,380,182	¥ 5,658,866	¥ <b>6,019,908</b>
Policy and contract claims	182,563	198,856	206,913	211,268	216,618	<b>238,612</b>
Unearned premiums	66,679	69,581	75,377	89,000	124,481	<b>178,132</b>
Other policyholder funds	205,026	241,346	301,227	420,895	726,219	<b>1,298,261</b>
Income taxes (prim. deferred)	210,508	109,385	126,859	129,771	132,268	<b>246,740</b>
Other liabilities	174,370	230,217	130,168	119,027	164,588	<b>683,260</b>
Shareholders' equity	<u>694,812</u>	<u>541,097</u>	<u>625,615</u>	<u>697,691</u>	<u>882,521</u>	<u><b>1,177,356</b></u>
 Total liabilities & shareholders' equity	 ¥ <u><u>6,181,552</u></u>	 ¥ <u><u>6,293,921</u></u>	 ¥ <u><u>6,597,928</u></u>	 ¥ <u><u>7,047,834</u></u>	 ¥ <u><u>7,905,561</u></u>	 ¥ <u><u><b>9,842,269</b></u></u>

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Balance Sheets**  
(Unaudited GAAP – Dollars in Millions)

	December 31,					
	2007	2008	2009	2010	2011	2012
<b>Assets:</b>						
Investments and cash	\$ 48,497	\$ 61,766	\$ 64,226	\$ 77,876	\$ 92,492	\$ <b>104,769</b>
Receivables, principally premiums	395	527	397	293	309	<b>566</b>
Accrued investment income	441	531	524	591	637	<b>669</b>
Deferred policy acquisition costs	4,269	5,643	5,846	6,390	7,102	<b>6,801</b>
Other assets	551	674	646	1,337	1,152	<b>873</b>
 Total assets	 \$ 54,153	 \$ 69,141	 \$ 71,639	 \$ 86,487	 \$ 101,692	 \$ <b>113,678</b>
 <b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	\$ 40,715	\$ 53,866	\$ 55,720	\$ 66,023	\$ 72,792	\$ <b>69,530</b>
Policy and contract claims	1,599	2,185	2,247	2,593	2,786	<b>2,756</b>
Unearned premiums	584	764	818	1,092	1,601	<b>2,057</b>
Other policyholder liabilities	1,796	2,651	3,271	5,165	9,342	<b>14,995</b>
Income taxes (prim. deferred)	1,844	1,202	1,377	1,592	1,701	<b>2,850</b>
Other liabilities	1,528	2,529	1,413	1,460	2,118	<b>7,892</b>
Shareholders' equity	6,087	5,944	6,793	8,562	11,352	<b>13,598</b>
 Total liabilities & shareholders' equity	 \$ 54,153	 \$ 69,141	 \$ 71,639	 \$ 86,487	 \$ 101,692	 \$ <b>113,678</b>

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Quarterly Statements of Earnings and Percentage Changes**  
(Unaudited GAAP – Yen in Millions)

		Net		Total		Total		Amort.	%	General		Total		Pretax			
		Earned	%	Investment	%	Revenues	%			Benefits	%	Operating	%	Operating	%	Oper.	%
		Premiums	Change	Income	Change	Revenues	Change	Benefits	Change	Change	Expense	Change	Expense	Change	Earn.	Change	
2004	1	221,283	6.4	40,342	(.6)	262,062	5.2	176,207	4.6	7,656	3.1	41,780	4.5	49,436	4.3	36,419	9.5
	2	224,011	6.8	42,206	2.4	266,636	6.0	177,997	4.4	7,248	(4.6)	44,136	8.5	51,384	6.4	37,254	13.6
	3	228,387	6.9	42,880	2.7	271,764	6.1	183,076	6.0	7,195	(5.2)	43,445	(.5)	50,639	(1.2)	38,049	18.5
	4	231,477	6.8	43,018	4.8	275,134	6.6	185,145	5.0	7,562	8.6	44,873	4.8	52,435	5.3	37,554	17.4
2005	1	235,596	6.5	42,935	6.4	279,283	6.6	186,718	6.0	7,583	(1.0)	43,269	4.9	50,852	2.9	41,713	14.5
	2	238,728	6.6	44,321	5.0	283,896	6.5	186,860	5.0	7,716	6.5	47,625	7.9	55,341	7.7	41,695	11.9
	3	242,260	6.1	45,572	6.3	288,658	6.2	192,244	5.0	7,654	6.4	45,176	4.0	52,830	4.3	43,584	14.5
	4	245,970	6.3	47,354	10.1	294,292	7.0	193,378	4.4	8,299	9.7	53,165	18.5	61,464	17.2	39,450	5.0
2006	1	250,138	6.2	47,734	11.2	298,568	6.9	193,938	3.9	8,140	7.3	46,763	8.1	54,903	8.0	49,727	19.2
	2	253,486	6.2	48,314	9.0	302,422	6.5	196,410	5.1	8,353	8.3	48,241	1.3	56,594	2.3	49,418	18.5
	3	256,254	5.8	49,954	9.6	307,264	6.4	202,960	5.6	8,106	5.9	48,958	8.4	57,064	8.0	47,240	8.4
	4	259,628	5.6	50,433	6.5	310,586	5.5	203,416	5.2	8,529	2.8	52,902	(.5)	61,431	(.1)	45,739	15.9
2007	1	262,347	4.9	52,108	9.2	315,528	5.7	201,522	3.9	8,859	8.8	49,574	6.0	58,433	6.4	55,573	11.8
	2	264,454	4.3	53,427	10.6	319,057	5.5	203,130	3.4	9,166	9.7	51,104	5.9	60,270	6.5	55,657	12.6
	3	266,961	4.2	53,795	7.7	320,621	4.3	204,375	.7	8,841	9.1	52,298	6.8	61,139	7.1	55,107	16.7
	4	269,937	4.0	52,747	4.6	323,751	4.2	207,267	1.9	10,465	22.7	57,609	8.9	68,074	10.8	48,410	5.8
2008	1	271,920	3.6	52,187	.2	323,989	2.7	202,316	.4	10,132	14.4	53,320	7.6	63,452	8.6	58,221	4.8
	2	273,872	3.6	53,077	(.7)	328,427	2.9	203,421	.1	10,407	13.5	54,766	7.2	65,173	8.1	59,833	7.5
	3	276,489	3.6	54,254	.9	331,252	3.3	206,046	.8	10,034	13.5	54,486	4.2	64,520	5.5	60,686	10.1
	4	278,952	3.3	52,466	(.5)	331,065	2.3	210,398	1.5	11,059	5.7	55,561	(3.6)	66,620	(2.1)	54,047	11.6
2009	1	281,655	3.6	52,462	.5	334,769	3.3	206,007	1.8	11,656	15.0	53,493	.3	65,149	2.7	63,613	9.3
	2	282,289	3.1	52,981	(.2)	336,743	2.5	203,467	–	11,792	13.3	55,238	.9	67,030	2.8	66,246	10.7
	3	285,977	3.4	53,170	(2.0)	339,883	2.6	203,728	(1.1)	11,552	15.1	56,763	4.2	68,315	5.9	67,840	11.8
	4	288,037	3.3	53,116	1.2	342,351	3.4	204,273	(2.9)	13,814	24.9	60,214	8.4	74,028	11.1	64,050	18.5
2010	1	290,832	3.3	53,765	2.5	346,939	3.6	206,510	.2	12,280	5.4	54,273	1.5	66,553	2.2	73,876	16.1
	2	293,109	3.8	54,572	3.0	347,550	3.2	205,037	.8	12,120	2.8	57,487	4.1	69,607	3.8	72,906	10.1
	3	296,816	3.8	53,590	.8	350,806	3.2	209,097	2.6	11,922	3.2	56,111	(1.1)	68,033	(.4)	73,676	8.6
	4	300,632	4.4	53,138	–	354,274	3.5	215,996	5.7	13,146	(4.8)	59,628	(1.0)	72,774	(1.7)	65,504	2.3
2011	1	304,800	4.8	53,414	(.7)	359,857	3.7	212,407	2.9	12,689	3.3	54,608	.6	67,297	1.1	80,153	8.5
	2	308,057	5.1	51,837	(5.0)	360,322	3.7	215,205	5.0	13,233	9.2	56,402	(1.9)	69,635	–	75,482	3.5
	3	312,867	5.4	54,081	.9	367,526	4.8	219,113	4.8	13,444	12.8	55,704	(.7)	69,148	1.6	79,265	7.6
	4	319,637	6.3	54,833	3.2	375,435	6.0	233,074	7.9	12,497	(4.9)	59,418	(.4)	71,915	(1.2)	70,446	7.5
2012	1	328,595	7.8	58,055	8.7	387,957	7.8	235,015	10.6	14,085	11.0	56,114	2.8	70,199	4.3	82,743	3.2
	2	338,028	9.7	55,396	6.9	393,475	9.2	244,044	13.4	14,189	7.2	57,937	2.7	72,126	3.6	77,305	2.4
	3	346,351	10.7	56,073	3.7	404,150	10.0	253,137	15.5	14,193	5.6	58,650	5.3	72,843	5.3	78,170	(1.4)
	4	<b>355,507</b>	<b>11.2</b>	<b>57,685</b>	<b>5.2</b>	<b>414,714</b>	<b>10.5</b>	<b>265,012</b>	<b>13.7</b>	<b>14,701</b>	<b>17.6</b>	<b>61,672</b>	<b>3.8</b>	<b>76,373</b>	<b>6.2</b>	<b>73,329</b>	<b>4.1</b>

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Operating Ratios**  
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistency Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Incurred Claims/ Premium</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Tot. Ben./ Premium</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
	2002	94.2 %	41.8 %	50.2 %	68.4 %	82.1 %	3.3 %	19.7 %	88.1 %	11.9 %
	2003	94.2	44.3	53.1	67.8	81.1	3.5	19.4	87.2	12.8
	2004	94.5	43.1	51.3	67.2	79.8	3.3	18.9	86.1	13.9
	2005	94.7	42.6	50.8	66.2	78.9	3.2	19.3	85.5	14.5
	2006	94.7	39.2	46.9	65.4	78.1	3.2	18.8	84.2	15.8
	2007	94.7	39.9	47.9	63.8	76.7	3.5	19.4	83.2	16.8
	2008	94.5	43.0	51.4	62.5	74.7	3.8	19.8	82.3	17.7
	2009	94.0	43.5	51.8	60.4	71.8	4.3	20.3	80.7	19.3
	2010	94.2	42.0	49.8	59.8	70.8	4.2	19.8	79.6	20.4
	2011	94.4	41.1	48.3	60.1	70.6	4.3	19.0	79.1	20.9
	2012	94.9	39.8	46.5	62.3	72.9	4.2	18.2	80.5	19.5
2009	1	93.9	44.8	53.4	61.5	73.1	4.1	19.5	81.0	19.0
	2	93.9	44.7	53.4	60.4	72.1	4.2	19.9	80.3	19.7
	3	94.0	42.7	50.7	59.9	71.2	4.0	20.1	80.0	20.0
	4	94.0	41.8	49.7	59.7	70.9	4.8	21.6	81.3	18.7
2010	1	93.8	43.8	52.3	59.5	71.0	4.2	19.2	78.7	21.3
	2	94.0	41.6	49.4	59.0	70.0	4.1	20.0	79.0	21.0
	3	94.1	42.0	49.6	59.6	70.4	4.0	19.4	79.0	21.0
	4	94.2	40.7	47.9	61.0	71.8	4.8	20.5	81.5	18.5
2011	1	94.3	41.9	49.5	59.0	69.7	4.2	18.7	77.7	22.3
	2	94.3	41.9	49.0	59.7	69.9	4.3	19.4	79.1	20.9
	3	94.4	40.5	47.6	59.6	70.0	4.3	18.8	78.4	21.6
	4	94.4	40.1	47.1	62.1	72.9	3.9	19.1	81.2	18.8
2012	1	94.5	41.3	48.8	60.6	71.5	4.3	18.1	78.7	21.3
	2	94.7	40.0	46.5	62.0	72.2	4.2	18.4	80.4	19.6
	3	94.8	38.5	44.9	62.6	73.1	4.1	18.1	80.7	19.3
	4	<b>94.9</b>	<b>39.3</b>	<b>45.9</b>	<b>63.9</b>	<b>74.5</b>	<b>4.1</b>	<b>18.4</b>	<b>82.3</b>	<b>17.7</b>

*Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs*

**Aflac Japan Sales Results**  
(Yen In Millions)

<u>Period</u>	<u>Annl. Prem. In Force (Billions)</u>	<u>% Change</u>	<u>New Annl. Prem. Sales</u>	<u>% Change</u>	<u>Convers. Prem.</u>	<u>Total New Premium</u>	<u>% Change</u>	
2002	¥ 834.4	6.7 %	¥ 96,208	4.9 %	¥ 12,112	¥ 108,320	17.9 %	
2003	900.3	7.9	113,203	17.7	7,967	121,170	11.9	
2004	961.9	6.8	116,507	2.9	6,018	122,525	1.1	
2005	1,027.8	6.8	124,846	7.2	3,938	128,784	5.1	
2006	1,083.1	5.4	114,654	(8.2)	2,801	117,455	(8.8)	
2007	1,125.6	3.9	113,114	(1.3)	1,522	114,636	(2.4)	
2008	1,161.7	3.2	113,399	.3	1,293	114,692	—	
2009	1,200.4	3.3	121,490	7.1	855	122,345	6.7	
2010	1,255.6	4.6	135,299	11.4	515	135,813	11.0	
2011	1,343.7	7.0	160,738	18.8	295	161,033	18.6	
2012	1,492.5	11.1	210,400	30.9	220	210,620	30.8	
2008	1							
	1	1,133.9	3.7	27,280	5.5	337	27,617	5.0
	2	1,143.1	3.6	28,316	(5.1)	334	28,650	(4.9)
	3	1,153.6	3.3	27,843	1.3	304	28,147	.9
	4	1,161.7	3.2	29,960	.1	317	30,277	(.1)
2009	1							
	1	1,169.3	3.1	27,270	—	236	27,506	(.4)
	2	1,175.9	2.9	29,790	5.2	284	30,074	5.0
	3	1,188.6	3.0	29,792	7.0	176	29,968	6.5
	4	1,200.4	3.3	34,637	15.6	161	34,798	14.9
2010	1							
	1	1,211.0	3.6	30,095	10.4	169	30,264	10.0
	2	1,222.2	3.9	33,724	13.2	132	33,856	12.6
	3	1,238.7	4.2	34,507	15.8	114	34,621	15.5
	4	1,255.6	4.6	36,973	6.7	99	37,072	6.5
2011	1							
	1	1,271.2	5.0	33,973	12.9	99	34,072	12.6
	2	1,285.1	5.2	36,035	6.9	69	36,104	6.6
	3	1,311.8	5.9	42,243	22.4	53	42,296	22.2
	4	1,343.7	7.0	48,488	31.1	74	48,562	31.0
2012	1							
	1	1,384.1	8.9	52,346	54.1	68	52,414	53.8
	2	1,423.6	11.2	53,146	47.5	64	53,210	47.4
	3	1,462.5	11.5	55,669	31.8	47	55,716	31.7
	4	<b>1,492.5</b>	<b>11.1</b>	<b>49,240</b>	<b>1.6</b>	<b>41</b>	<b>49,281</b>	<b>1.5</b>

**Aflac Japan Product Mix**

(New Annualized Premium Sales, Yen in Billions)

		<u>Cancer</u>	% of <u>Total</u>	<u>Medical</u> *	% of <u>Total</u>	<u>Child</u> <u>Endowment</u>	% of <u>Total</u>	<u>WAYS</u>	% of <u>Total</u>	<u>Ordinary</u> <u>Life Other</u>	% of <u>Total</u>	<u>Other</u>	% of <u>Total</u>
2007	¥	37.6	32.8 %	¥ 45.7	39.9 %	¥ 1.1	1.0 %	¥ 6.2	5.4 %	¥ 18.2	15.9 %	¥ 5.7	5.0 %
2008		39.0	34.0	44.0	38.4	2.4	2.1	6.0	5.3	17.7	15.4	5.5	4.8
2009		34.6	28.3	48.0	39.2	10.9	8.9	7.3	6.0	16.8	13.8	4.7	3.8
2010		29.9	22.0	46.5	34.2	25.3	18.6	12.1	8.9	17.1	12.6	5.0	3.7
2011		31.6	19.6	35.9	22.3	27.4	17.0	42.1	26.2	16.6	10.3	7.3	4.6
2012		27.6	13.1	36.8	17.5	24.4	11.6	94.5	44.9	18.0	8.5	9.3	4.5
2010	1	6.7	22.0	11.7	38.9	4.7	15.4	1.9	6.2	4.0	13.3	1.2	4.2
	2	7.8	23.2	12.0	35.6	6.3	18.6	2.3	6.8	4.1	12.1	1.2	3.7
	3	7.4	21.5	11.6	33.6	7.2	20.9	2.9	8.4	4.4	12.6	1.0	3.0
	4	7.9	21.4	11.0	29.8	7.1	19.1	5.0	13.6	4.6	12.3	1.4	3.8
2011	1	6.0	17.5	9.4	27.6	7.4	21.8	6.0	17.7	3.9	11.5	1.3	3.9
	2	8.8	24.4	8.9	24.6	6.2	17.2	6.7	18.6	4.0	11.0	1.5	4.2
	3	8.1	19.1	8.6	20.3	6.7	15.8	13.4	31.7	4.1	9.6	1.4	3.5
	4	8.8	18.0	9.0	18.6	7.1	14.6	16.0	32.9	4.7	9.6	3.0	6.3
2012	1	6.8	13.0	8.9	17.1	7.2	13.7	23.2	44.2	4.1	7.8	2.2	4.2
	2	7.1	13.4	9.0	16.9	6.5	12.2	24.1	45.2	4.2	7.9	2.3	4.5
	3	6.5	11.6	9.6	17.2	4.8	8.6	27.9	50.1	4.5	8.1	2.4	4.4
	4	7.2	14.6	9.3	18.8	5.9	12.0	19.3	39.2	5.2	10.5	2.4	4.9

**Aflac Japan Sales Force Data**

<u>Number of Agencies by Type</u>					<u>Sales Contribution by Agency Type</u>						
	<u>Individual/</u> <u>Independent</u>	<u>Affiliated</u>			<u>Individual/</u> <u>Independent</u>	<u>Affiliated</u>			<u>Licensed</u> <u>Sales</u>	<u>Recruited</u>	
	<u>Corporate</u>	<u>Corporate</u>	<u>Bank**</u>	<u>Total</u>	<u>Corporate</u>	<u>Corporate</u>	<u>Dai-ichi</u>	<u>Bank</u>	<u>Associates</u>	<u>Agencies</u>	
2007	16,213	1,987	261	18,461	56.1 %	35.3 %	8.2 %	.4 %	100,810	3,195	
2008	16,577	1,976	329	18,882	55.0	35.5	6.7	2.8	107,458	3,944	
2009	17,366	1,916	353	19,635	54.7	34.8	4.4	6.1	110,528	4,651	
2010	17,725	1,893	364	19,982	51.1	31.0	3.3	14.6	115,406	4,854	
2011	17,933	1,843	370	20,146	44.0	25.1	2.0	28.9	120,744	5,039	
2012	16,703	1,780	372	18,855	34.7	18.5	1.2	45.6	125,266	3,248	
2011	1	17,534	1,880	364	19,778	47.3	27.0	2.6	23.1	115,910	1,237
	2	17,759	1,864	367	19,990	48.5	28.5	1.9	21.1	117,702	1,512
	3	18,091	1,862	369	20,322	41.0	22.9	1.8	34.3	119,937	1,112
	4	17,933	1,843	370	20,146	41.2	23.2	1.7	33.9	120,744	1,178
2012	1	17,660	1,832	372	19,864	33.8	18.7	1.2	46.3	121,421	946
	2	17,766	1,809	374	19,949	33.6	18.7	1.2	46.5	123,364	939
	3	17,524	1,803	373	19,700	33.6	16.8	1.2	48.4	125,220	645
	4	16,703	1,780	372	18,855	38.1	20.1	1.4	40.5	125,266	718

\* Includes stand-alone medical and other medical riders including Rider MAX

\*\* Includes banks selling for Aflac Japan prior to the deregulation in December 2007

**Yen/Dollar Exchange Rates  
1996 - 2010  
(By Quarter)**

		<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>				
<b>1996</b>	1	106.35	105.84	<b>1999</b>	1	120.55	116.58	<b>2002</b>	1	133.25	132.69	<b>2005</b>	1	107.39	104.50	<b>2008</b>	1	100.19	105.06
	2	109.50	106.75		2	121.10	118.80		2	119.45	129.77		2	110.62	106.04		2	106.42	104.77
	3	111.00	107.50		3	106.95	117.09		3	122.60	126.03		3	113.19	107.79		3	103.57	105.75
	4	116.10	108.84		4	102.40	113.96		4	119.90	125.15		4	118.07	109.88		4	91.03	103.46
<b>1997</b>	1	124.10	121.28	<b>2000</b>	1	106.15	107.13	<b>2003</b>	1	120.20	118.93	<b>2006</b>	1	117.47	116.90	<b>2009</b>	1	98.23	93.37
	2	114.35	120.48		2	105.50	106.91		2	119.80	118.71		2	115.24	115.65		2	96.01	95.44
	3	121.10	119.64		3	108.00	107.16		3	111.25	118.39		3	117.90	115.82		3	90.21	94.79
	4	130.10	121.07		4	114.75	107.83		4	107.13	115.95		4	119.11	116.31		4	92.10	93.49
<b>1998</b>	1	132.10	128.09	<b>2001</b>	1	123.90	118.14	<b>2004</b>	1	105.69	107.32	<b>2007</b>	1	118.05	119.48	<b>2010</b>	1	93.04	90.54
	2	141.00	131.90		2	124.60	120.43		2	108.43	108.52		2	123.26	120.13		2	88.48	91.32
	3	135.50	134.57		3	119.40	120.86		3	111.05	109.00		3	115.43	119.37		3	83.82	89.38
	4	115.70	130.89		4	131.95	121.54		4	104.21	108.26		4	114.15	117.93		4	81.49	87.73

**Yen/Dollar Exchange Rates  
2011 - 2012  
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.10</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.11</u>
<b>2011</b>	1	83.15	82.32	82.32	10.0 %	<b>2012</b>	1	82.19	79.59	79.59	3.4 %
	2	80.73	81.57	81.95	11.4		2	79.31	80.19	79.88	2.6
	3	76.65	77.78	80.50	11.0		3	77.60	78.64	79.47	1.3
	4	77.74	77.35	79.75	10.0		4	<b>86.58</b>	<b>80.93</b>	<b>79.81</b>	<b>(.1)</b>

Beginning in 2010, Quarter and Yearly averages have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs